

NEWS SUMMARY

GENERAL

angle
ew
ts
irs go

on board the P & O
car ferry, Eagle, in
ampton, last night
compensation terms
by the company and
the 40 cars held to
over the past three
leave the ship.
D said: "We have settled
a week's salary with over-
plus £150 a man—about
all." The dispute arose
30 National Union of Sea-
men were told at short
last week about the ship's
French interests.
night the 12 passengers
remained on board until
they were freed were having
Earlier in the day, Mr.
Griffiths in the High
ad ordered the release of
anger's car from the ferry.
other cars would have
he moved because the
ful applicant, Mr. John
had his vehicle on the
sk. D has promised to re-
s as possible as pos-
other areas of the group.

onehouse
plains

in Stonehouse, in a state-
of the Commons about his
conduct" denied that
a CIA or Czech agent,
about being "pursued by
nists" and said he had
suffered as suffering from
iatric suicide. He was
died four times by the
Mr. Selwyn Lloyd, for
ping in his approved text,
and problems over his
fish bank for contributing
breakdown. Court story,
Parliament, Page 14

message

ombusted the centre of
ie, Co. Tyrone, injuring
people, including two
men. Several shops and
were damaged. Fears grew
safety of Derry indus-
Dr. Tiede Herrema after
diary Mr. Philip Flynn
that the "reporting
last Thursday began."
ng allowed to tape this
message from the Irish
ion Organisation.

welcomed

lison and the Duke of
ter were at Heathrow to
Crown Prince Fahd of
Arabia when he arrived
four-day official visit.
The delegation will meet
officials to discuss a
arms deal.

erver hopefuls

Waller, political corres-
of the Sunday Tele-
and Mr. Dennis Hackett,
fishing consultant, have
for the editorship of the
er. Eight candidates are
the running.

er jailed

Sime Darby chairman
William Pinder, 52, was
for 18 months by a Singa-
pore court after pleading
to three breaches of trust
involving over £24.5m.

fly...

City underground trains
killing at least 34

table of Dundee, a former

of the Stock Exchange,
ed 72. Obituary, Page 8

cancelled most of its

flights from Paris
after airport, near Paris,
maintenance staff went on

International, the child-

charity, flew a five-year
y to London from Sri
for a hole-in-the-heart
in.

the 26-year-old model

in star, is to marry U.S.
Michael Whitney next year.
e obtains his divorce.

PRICE CHANGES YESTERDAY

in pence unless otherwise
indicated)

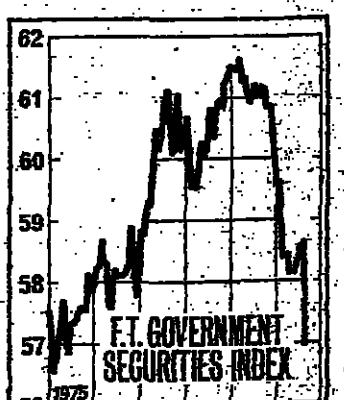
Barclays Bank	280	-13
Bass Charrington	94	-4
"Bats"	303	-10
Caterpillar	235	-10
Costain (R)	102	-6
Glaxo	228	-9
GKN	217	-6
Imray Prop.	180	-15
Leeds Sec.	163	-10
Lloyds Bank	220	-13
Marks and Spencer	101	-4
Mercury Secs.	127	-6
PK Kingston	260	-10
Royal Insurance	262	-7
Thorn Org.	175	-8
Thorn Elec.	192	-6
Tube Inv.	265	-8
Unilever	380	-10
Union Discount	215	-10
BP	168	-6
Uthmaniyah	190	-13
Falcon	190	-13
Southwall	820	-30

10p 1975, 1941 - 1
13p 1975, 130 - 11

BUSINESS

Gilts and
equities
fall; Dow
up 9.84

GILTS closing falls ranged
to 11, making two-day losses of
over three points. Mr. Healey's
rejection of short-term Govern-



ment expenditure cuts were the
underlying factor. The FT
Government Securities Index
fell 0.94 to 56.95, making a two-
day decline of 1.75.

EQUITIES were unsettled
The FT 30-share index closed
5.7 down at 336.7.

STERLING rose 40 points to
\$2.0629; its depreciation nar-
rowed to 29.4 (29.5) per cent.
The dollar's fall widened to 2.19
(2.13) per cent.

GOLD gained \$4 to \$1481.

WALL STREET closed 8.24
up at 342.02 on the GNP figures.

U.S. TREASURY Bill 10-year
rose 3/8 to 107 1/8 (107 1/8) per
cent. Sixes 6 1/8% (6 1/8%) per
cent.

Wage inflation
slows down

AVERAGE earnings rose by
only 0.9 per cent in the U.K.
between July and August to a
level of 25.5 per cent above a
year ago, compared with a year
on year rise of 2.6 per cent
for July 1975. Retail sales
volume dropped 3.25 per cent
between the second and third
quarters—one of the steepest
declines on record. Back Page.

WEST GERMAN economic
growth of 4 per cent is probable
next year, together with further
reduction in inflation and a
steady unemployment plateau of
least 5 per cent, an independent
report. Back Page.

MONSANTO / DEMINEX
North Sea exploration group has
made a promising find on its
1521 block, east of the Moray
Firth. A well was tested at an
average flow rate of 4,200 barrels
of oil a day.

CO-OPERATIVE Bank yesterday
became the first bank to
achieve full clearing house status
for 39 years. Men and Matters,
Page 16

NVTS Small Heath plant in
Birmingham was put in the hands
of the receiver yesterday, two
months after the liquidator was
called in at its Wolverhampton
factory. Back Page

SYDNEY Stock Exchange has
demanded an explanation from
the Board of Gollin Holdings by
to-morrow as to why it said it
knew of no reason for a share
price fall of 17 per cent before
announcing \$A18m. losses. Page
21

COMPANIES

RUGBY PORTLAND CEMENT
first-half pre-tax profits rose to
\$5.32m. (54.90m.). Chairman
says third-quarter profits are
"substantially up" on 1974's.
Page 18 and Lex

GREAT UNIVERSAL Stores
sales and earnings for the four
months to August are ahead of
last year's, according to the
chairman. Pre-tax profit for the
year to April was \$39m. (583m.).
Page 19 and Lex

U.S. third-quarter
increase in GNP
best for 20 years

BY PAUL LEWIS, U.S. EDITOR, WASHINGTON, Oct. 20

The U.S. economy took its expected great leap forward in the third quarter of this year, when the gross national product increased in real terms at an annual rate of 11.2 per cent—the fastest rate for 20 years.

The Ford Administration immediately hailed the figure as conclusive proof that the recession is at an end and the economy now firmly set on the recovery course it has been predicting all along for the second half of this year.

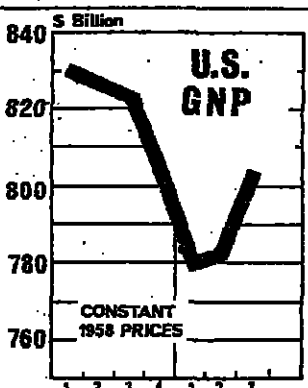
The high rate of GNP growth largely reflected a slow-up in the rate of industrial de-stocking which has been dragging the economy down all year. The Commerce Department warned, however, that it could not be sustained in the final quarter, when the rate of increase would probably drop back to about 6 per cent.

Today's figure came as no surprise, for the Administration has been hinting openly for more than a week that the rise in third quarter GNP would be in double figures.

The 11.2 per cent annual rate, though, contrasts sharply with the 1.9 per cent rate in the second quarter and negative figures for the preceding five quarters.

More than half the rise is attributable to the slower run-down of inventories, which fell from \$31bn. in the second quarter to \$9.5bn. in the third.

The rate of increase in real, final sales remained relatively steady at 4.4 per cent, compared with 4.6 per cent in the second quarter, though the savings



ration declined from an annual rate of 7.2 per cent in the third quarter, as measured by the new chain price index, compared with 5.4 per cent. This reflected the midsummer upsurge, which seems now to be petering out.

The Commerce Department warned today that retail prices are likely to rise faster during the remainder of the year than the 2.4 per cent annual rate achieved in September.

While the Administration feels the third quarter GNP figure amply confirms its basic economic policies, it is still relying on an extension of this year's anti-recessionary tax cuts through 1976 to sustain the recovery.

There is not much doubt that Congress will go along with this part of the President's plan, but it is extremely doubtful whether it will accept the parallel reductions in public spending he wants.

In the meantime, the sharp increase in GNP will help President Ford resist pressure for further reduction from Britain, Italy and France at next month's economic summit meeting.

The Americans have, all along, wanted the Summit late in the year, when the upturn in their own economy would be apparent.

German recovery predicted

Lords reject Government
advice on free Press Bill

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE LORDS last night rejected Government advice and backed Lord Goodman in his attempts to spell out exactly what the proposed charter on Press freedom should contain.

Mr. Michael Foot, Secretary for Employment, will now have to consider what to do about the reversal before the amendments to the Trade Union and Labour Relations Bill are returned to the Commons in about two weeks.

But consideration of further "vital" amendments by Lord Goodman, which seek to make the common law rights of editors under the charter sharper and clearer, was postponed to allow further discussion between the sponsors. Conservative leaders and Ministers.

These amendments are likely to be at the centre of any constitutional conflict between the Government and the Lords because Ministers appear adamant that as drafted at present there is no prospect of their acceptance by the Government.

The amendments, which could be discussed by the Lords next week, state that nothing in the charter should restrict any right under common law, and that any rule or agreement contrary to the charter "shall be deemed to be contrary to public policy."

In Lord Goodman's view this

will ensure that journalists have the right to protect themselves by resorting to the law, but in the opinion of Ministers it introduces an unacceptable further legal element into the legislation.

Conservative leaders are anxious to discover whether these Goodman amendments have the full force of law behind them. If they do not, the Tories seem determined to return to the original proposals by Lord Goodman which sought a statutory code of conduct and which were rejected by the Commons.

For the moment, however, any constitutional clash between the Government and the Lords has been postponed. A crisis would occur if the Commons rejected the amendments passed by the Lords and the peers in their turn insist upon delaying the Bill once again.

If the Bill shuttles between the two Houses until the end of this session (probably early November) it will be lost and there could be great pressure on the Government to invoke the 1949 Parliament Act restricting the Lords' powers to delay legislation. A new Bill could become law by next January.

The Goodman amendments passed by the Lords yesterday would include in the charter the right of journalists not to be unreasonably excluded or expelled from trade unions and to

belong to the union of their choice, and the right of editors to discharge their duties free from any obligation to join a trade union.

They also include the insertion of a sub clause calling for the avoidance of improper pressure to distort or suppress news, comment or criticism.

Mr. Foot has taken his stand on earlier amendments proposed by Lord Houghton, a Labour peer and former Cabinet Minister. These provided that both sides of the newspaper industry would have to agree a charter within 12 months otherwise one would be imposed by the Government.

Both Lord Houghton and Lord Shepherd, leader of the Labour peers, argued that it would be much better to give the industry a chance to draft its own code free from any Parliamentary restrictions, but Lord Goodman, backed by Lord Gibson and Lord Dromgole, believed it essential that certain safeguards needed to be written into the charter by Parliament.

The Government amendment suggesting a list of issues to be included in the charter, was rejected by 188 votes to 77, and Lord Goodman's amendment accepted by 188 votes to 69.

Parliament Page 14

Soviet-U.S. five-year grain deal

BY PAUL LEWIS

WASHINGTON, Oct. 20

THE U.S. will sell the Soviet Union at least 6m. tons of wheat and maize annually over the next five years, under the terms of a new long-term agreement signed in Moscow to-day and intended to stabilise world grain markets.

Both Governments also announced their intention of concluding another deal under which the Soviet Union will supply the U.S. with 200,000 barrels of oil a day for five years at a price yet to be decided.

In a message accompanying the grain agreement, President Ford said it would create more stable market conditions in the U.S. and encourage American agricultural output by providing a secure outlet for the nation's farmers.

The new agreement obliges the Soviet Union to purchase at least 6m. tons of U.S. grain—about equally divided between wheat and maize—in each twelve-month period from October 1, 1976 to September 30, 1980. The Russians have the right to buy an additional 2m. tons a year if they wish, although not if the U.S. harvest falls below 225m. metric tons.

Before the agreement comes into effect next October, the Soviet Union may purchase another 7m. tons of U.S. grains on top of the 10.4m. tons they have bought already.

Outlining the agreement, Mr. Earl Butz, Agriculture Secretary, said it would create more stable market conditions for the whole world by ending the Soviet Union's sporadic buying sprees which have often caused wild

fluctuations in the price of grains.

U.S. intelligence has reported the construction of large new silos in Russia over the past few months, and Mr. Butz said he was convinced that the Soviets intended to store whatever portion of their annual output of 6m. tons they did not use in good years against later harvest failures.

The Agriculture Secretary insisted that the U.S. would still be able to accommodate other grain buyers in addition to the Soviet Union. He forecast that next year American farmers would continue to plant at this year's maximum levels since the Administration would provide no subsidies for land withheld from production.

ON OTHER PAGES

Features

A rash of nationalism that threatens EEC

A radical experiment for our schools

Federal Election Committee

Chinese influence in Asia

The agrarian mudslide

FT SURVEY

London Metal Exchange

Appointments

Arts

Base London News

Business News

Crossword

Entertainment Guide

Executive's World

Foreign Exchanges

Home News

Int. Company News

Labour News

Leading Article

Letters

Lex

Men and Matters

Money News

Overseas News

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Science

Share Information

Stock Exchange

The Technical Page

To-day's Events

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Wall St. & Overseas

Weather

World Trade News

World Value of the £

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British Co. 131c

(Consent Page 35)

ANNUAL STATEMENT

Autogas (C.K.) 14c

INTERVIEW STATEMENTS

Office & Electronic

Solicitors Ltd. 13c

Liquidator
move for
Scottish
newspaper

BY CHRIS BAUR

THE MOUNTING financial crisis threatening the five-month old Scottish Daily News forced its work-directors yesterday to petition the Scottish Court of Session to appoint a provisional liquidator.

Leaders of the workers' co-operative, launched by redundant Beaverbrook newspaper employees, said yesterday that without substantial fresh capital the paper was likely to survive for only four to six more weeks.

Mr. James Whitton, senior partner of Cooper and Lybrand accountants, has been named as provisional liquidator. He will be responsible for the paper's continued publication, or its winding-up if no backer or purchaser is found.

Cooper and Lybrand was appointed the paper's auditors by Mr. Robert Maxwell, chairman of Pergamon Press, last month.

The decision to appoint a provisional liquidator follows the Government's refusal last week to finance the paper with more than the £1.2m. lent in May, or to relinquish part of its security on the printing premises to help raise a private loan.

Mr. Maxwell said last night that it was "too premature" to regard him as a possible purchaser of the paper. "I believe it is still possible to save the paper and I will do my best to save it."

He added that the appointment of a provisional liquidator, which he had advised, would provide the paper with professional management eminently acceptable to the Government.

Leaders of the co-operative, accompanied by Mr. James Milne, general secretary-designate of the Scottish TUC, will meet the Prime Minister at Downing Street to-day—ostensibly to make one last appeal for aid but, in fact, to hear the reasons for the Government's refusal to do so.

Mr. Alister Blyth, the co-operative's chairman, said that appointing a provisional liquidator was the only means of ensuring the jobs and wages of the workers.

Mr. Nathan Goldberg, the editor, said the 500 employee-shareholders had unanimously endorsed the "shattering" decision. "I was really proud of the way they took it," he added.

Technically, the appointment of a provisional liquidator leaves the possibility of his withdrawal later if ways of maintaining the company's operations can be found. The co-operative's leaders, who will resign as directors, were visibly relieved at shedding the task of managing a paper losing an estimated £15,000 a week and needing at least £250,000 to survive.

Both Lord Houghton and Lord Shepherd, leader of the Labour peers, argued that it would be much better to give the industry a chance to draft its own code free from any Parliamentary restrictions, but Lord Goodman, backed by Lord Gibson and Lord Dromgole, believed it essential that certain safeguards needed to be written into the charter by Parliament.

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Parliament Page 14

PM to meet
doctors on
private beds

BY DONALD MACLEAN AND LORELIES OLSLAGER

THE IMMEDIATE RISK of confrontation between the Government and the doctors over the hospital situation receded yesterday as Mr. Harold Wilson announced to Parliament the setting up of a Royal Commission of Inquiry into the National Health Service and agreed to meet doctors' leaders to-day.

At the same time, however, industrial action by junior doctors on the question of overtime pay continued to swell, with action taken at some 80 hospitals around the country, and spreading in London, where the Middlesex Hospital was among those affected.

Although the Prime Minister's statement of the terms of reference of the Commission followed the lines of his announcement on the subject on Thursday, doctors claimed to see a softening of Government attitude on the sensitive question of private practice in health services hospitals.

Mr. Wilson re-affirmed the Government's commitment to the phased separation of private beds from the hospitals, but his statement that this would be "as soon as the Parliamentary timetable allows" was claimed by doctors as a victory for their campaign to hold back Government action on the issue until the matter had been considered by an independent inquiry. In Whitehall last night, however, some Labour leaders made it apparent that they expected legislation on this to be brought forward in the next Parliamentary session.

Doctors are continuing to call for a moratorium on the pay beds issue while the matter is the subject of an inquiry, but felt last night that the Government had left itself latitude over the timetable for implementing its proposals in this field.

Dr. Derek Stevenson, secretary of the British Medical Association, said last night that he hoped the issue would be one of priority for the Commission, or the subject of an interim report, while the Prime Minister, in answers to questions yesterday, did not rule out the latter possibility.

The Commission, Mr. Wilson said, would be free to consider "important questions touching on the borderline between private practice, and on the important and continuing contribution which we expect and want private practice to make."

It could also consider the issue of agency nurses, who are at present scheduled to be phased out of the health service.

However, the pay beds issue was maintained in Whitehall, and Rotherham.

Outside the North-West, many of the actions are still taken and for 24 hours only. But at several hospitals, doctors are warning that they are only firing warning shots at the moment.

At Harfield, a famous heart hospital, a junior doctor said that at "at the moment we are treating anything that is really urgent. We are also treating cancer as an emergency." But if the dispute over the new contract was not settled soon then "emergencies will come to mean life or death situations only."

Towns affected by junior doctors' action include: Canterbury, Margate, Ramsgate, Walsall, Birmingham, Sidcup, Dover, Ashford, Leicester, Doncaster, Macclesfield, and Rotherham.

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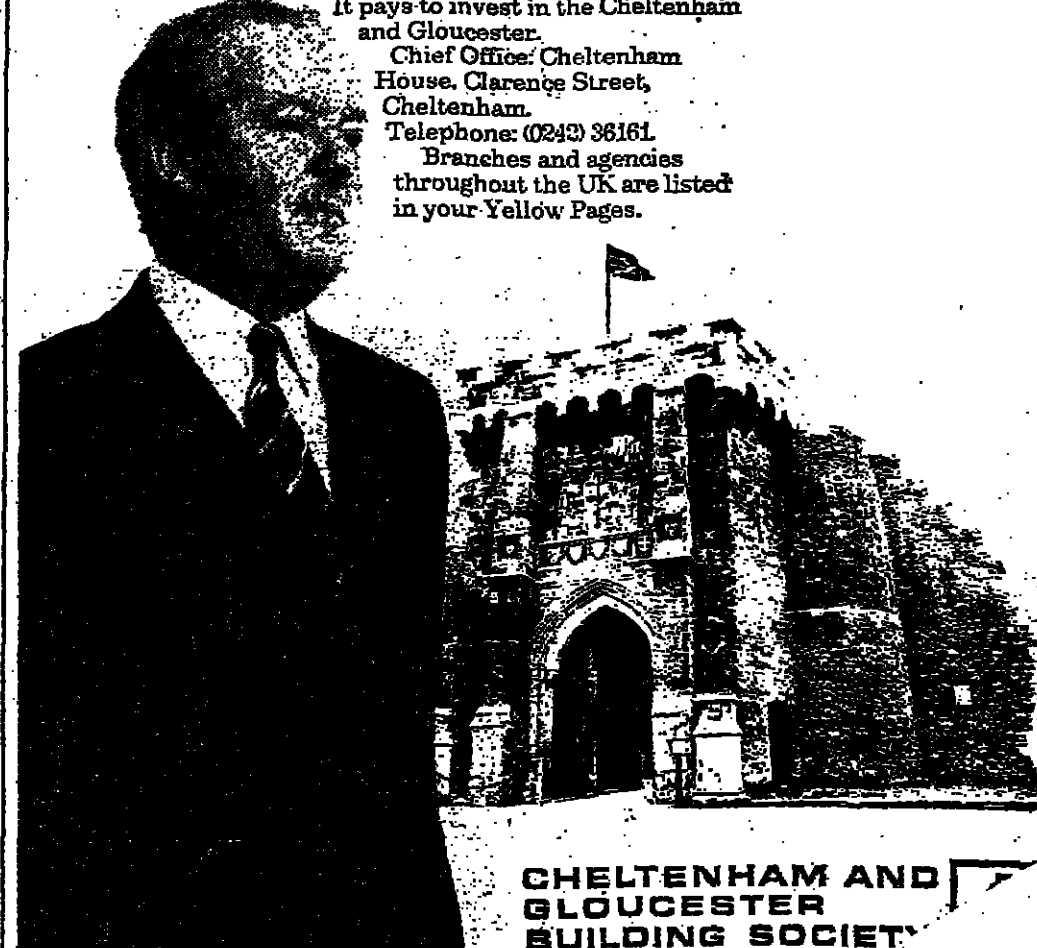
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CHELTEHAM AND
GLOUCESTER
BUILDING SOCIETY

Oil deficit—the wrong 'solution'

BY G. GORDON TETHER

THE SUCCESS that some of the leading industrialised countries have had in eliminating the considerable external payments deficits they developed in the wake of the late-1973 oil price explosion has received a good deal of publicity in recent weeks. What has attracted much less attention is the fact that the group as a whole, the relationship between visible exports and imports is now actually more favourable than it was before they had to accommodate the big jump in the cost of foreign fuel.

And this is a development with a global significance that could hardly be overstated. For what it means is that the whole of the international burden arising from the oil countries' surplus is being borne by medium and light-weight affluent States and the Third World—a situation that obviously cannot endure for more than a few months.

Over the first nine months of 1975, when Middle East oil was still costing no more than about \$24 a barrel, the visible exports of the fourteen principal industrialised countries were showing a shortfall against visible imports of the order of \$10bn. In annual rate terms, therefore, with the steep rise in expenditure on oil setting imports bounding ahead, the gap shot up to over \$50bn.

Decisively

In the closing months of last year, however, this process went into full reverse. So decisively, indeed, that IMF statistics for the second quarter of this year show that the gap was then running no higher than \$2.5bn, on an annual rate basis.

Remembering that the general rise in the prices of goods entering international trade will have boosted the visible earnings of many of its members this reveals why quite a number of them have recently been demonstrating that they can now cope with the backwash of the oil prices explosion and add to external reserves.

How is this dramatic turnaround—it involves the elimination of a \$50bn. plus exports-imports gap within no more than a year—to be explained? As has been widely pointed out, part of the answer lies in the fact that the oil countries' surplus has come back quite a way from the spectacular levels it reached in the immediate wake of the 1973 rise in prices. During 1975 to date, oil countries' exports have been running well below the 1974 level of \$135bn. And the impact of this on their surplus has been

reinforced by the growth of their spendings on imports. Many of the industrialised heavyweights have also derived considerable benefit from the powerful boost given to their exports in dollar terms by revaluation of their currencies. What is more, because the behaviour of their imports and exports is particularly sensitive to variations in the economic climate at home and abroad, the outward march of the world's major producers has produced major changes of trend—under these headings. In the second quarter of this year, the group's exports were running \$3bn. beyond the levels for a year earlier in annual rate terms. Over the same period, the imports' rate recorded a drop of \$12bn.

No worry

It must also be recognised that, for quite a number of affluent heavyweights—including the U.S. and Canada—the increase in imports arising from the rise in oil prices has been more than outweighed by the boost which exports have derived from the changes of trend—under these headings. In the second quarter of this year, the group's exports were running \$3bn. beyond the levels for a year earlier in annual rate terms. Over the same period, the imports' rate recorded a drop of \$12bn.

While there are one or two exceptions, it is true to say that, for the principal industrialised countries as a whole, the oil prices explosion has ceased to be a worry in the balance of payments sense. It is almost as if it had never happened.

It will be recalled that, when they were drawing up a joint approach to the problem of the newly-emerged collective oil deficit two years ago, it was accepted that countries which attempted to eliminate their share of the burden during the ensuing five years or so would just be off-loading it on to others. The argument will have been deprived of its force in the interim only to the extent that the oil gap has been reduced in size by improvements in the exports-imports relationship between the industrialised world and the oil-producing countries themselves. So it is far from being a matter for satisfaction that so many top industrial countries have got back into the black again in the balance of payments.

There has been a tendency to interpret the comparative calm at present characterising the international monetary scene as an indication that the work of getting the world's economy back on an even keel is now well under way. A closer look might appear to indicate that it hasn't even started.

SALEROOM BY ANTONY THORNCROFT

Phillips stand brings results

PHILLIPS, the third in size after Sotheby's and Christie's among the London salerooms, is obviously beginning to follow from its decision not to follow the other majors in introducing a 10 per cent premium on top of a buyer's successful bid. Yesterday it held a picture sale in its history—\$200,000—with a top price of \$35,000, also a new record for the saleroom. The vendor, specifically chose Phillips for the disposal of this picture because it did not charge the premium.

The work in question was a 17th Dutch seascape by Jan van de Capelle of a Royal yacht in harbour. It was bought by David Koster, an international dealer specialising in Dutch pictures, and the price was near the top end of its pre-sale estimate, despite the fact that the painting is not in the best of conditions. On the good prices, the \$14,000 (above forecast) from D'Ottavio of the Flight into Egypt, and the \$3,400 (more than double the forecast) given by Leroy for a floral still life by Jan Breughel the Elder.

The main interest at Christie's was centred on a marquee

situated in the grounds of Swinnton House at Masham in north Yorkshire. The saleroom was disposing of furniture, silver, and porcelain from the home of the Earl of Swinton. The sale continues to-day with an auction of pictures and books.

As often happens at these country house sales dealers were there in force—both local, London, and continental—and the first day total of £178,188 was well above forecast. The feature of the morning furniture, which realised £121,108, was a rococo walnut and marquetry bureau cabinet, made around 1760 by Kilian Bender, a German dealer, for a Marquetry dealer, and the £3,200, the highest price ever paid at auction for an item of German marquetry furniture.

Other good prices were the \$3,500 for an Anglo-Dutch leather stool by Marquetry dealer, and the \$1,500 for a style, made around 1780 in the Low Countries, and the \$3,200 he gave for a similar commode. The same price was paid by a German dealer, Koppel, for a small Milanese commode from the workshop of Giuseppe Maggiolini.

In the afternoon Hubner bid

\$9,975 for a large Meissen dinner service. Other interesting prices were the £3,780 for a private buyer for a bronze head of Albert Einstein by Sir Jacob Epstein (forecast £2,000-£3,000), and the \$255 given for four pairs of faded crimson velvet curtains. These are interesting because they were woven in the last century at Lord Masham's Bradford mills and sold well above their £100-£200 forecast, stressing the strong demand for local items when the contents of a Big House are scattered.

In London Christie's sale of Continental porcelain made £21,285, with a top price of £3,360, paid for a Meissen figure of Frederick the Great, dog modelled by Kandler. This was above forecast, but the same price, paid by the Antique Furniture Company for a pair of Meissen monkeys also by Kandler, was below target.

Despite all the excitement elsewhere, there was a very good Auction at Sotheby's which brought in £138,036 from disposing of scientific instruments, watches, and clocks. An ebony quarter repeating bracket clock by Thomas Tompion went for £10,000 (just below forecast) while a small long case clock by Joseph Knibb was within its forecast at \$8,500.

RACING BY DARE WIGAN

Long Row a confident choice

FEW, I imagine, will look farther than Long Row when contemplating the Rookery Handicap (3.10), the most valuable race in today's programme at Sandown.

Admittedly, Ryan Jarvis' brown horse has 9 st. 9 lb. to carry, but he is accustomed to big weights, as, for example, when he carried 10 st. into fourth place behind The Hertford, Poteracy and Aqueduct at Ascot on September 28, since when Aqueduct has won a competitive race also at Ascot. Indeed, Long Row is a confident selection.

A head separated inventory and Great Birmah when they finished 4th and 5th respectively behind Athens Moss over 11 miles at Newmarket at the beginning of the month, and the two met again in the Coober Handicap (4.10) run over the same distance, with inventory having an advantage of 1 lb.

Great Birmah, who has to be held for a late run, was making ground hand over fist in the closing stages that day and the still uphill finish at Sandown is calculated to suit him. I think that he will reverse the placings with inventory and win.

Earlier in the afternoon, Kellystown may obtain reward for honest endeavour by taking the Heather Maiden Plate (2.00)

—an assessment that may also apply to Tuscan Tune in the Mire Stakes (2.35). Towmire, who shaped with promise behind Sarone at Newmarket at the beginning of the month, is suggested.

Another with a good chance at Leicester is Rustingo, who appears to be reasonably weighted with 8 st. 8 lb. in the Stewards' Handicap (3.15).

Richard Head saddles his good hurdler, Miss Boom, in the Black Cat Handicap (3.15) at Chesham, and provided that she reproduces form shown when runner-up to Amber Sun at Bath on September 22, she will require some beating.

She finished a head in front of Modom that day, and bearing in mind that she had not seen a racecourse for several months she is likely to have derived more benefit from the outing than Wightman's filly, who has had a busy season.

Two other possible winners at Chesham are Tour-de-Force, who appears to have been in lightly with 8 st. 2 lb. in the Horsaes Apprentices' Handicap (2.15), and Pascualote, a full brother to Cry of Truth, who ran on with the utmost gallantry to hold off the sustained challenge of Handa at Lingfield the other day, in the Clover Plate (3.45).

WINE A reassuring vintage

BY EDMUND PENNING-ROWSELL

AT LAST Bordeaux has had the vintage it needed: good in quality, small in quantity. The quality derives from an exceptionally fine summer, though rain in the pre-vintage weeks brought a threat of a recurrence of the break in the weather in mid-September 1973 which sadly reduced the quality of that vintage. Fortunately, the good weather returned, particularly in the latter part of the picking which began about September 22, a little earlier than in recent years, and finished in the red wine districts by the 11th of this month.

Some damage

In the latter afternoon of September 28, an exceptionally severe hailstorm swept across the middle of the Médoc and crossed the Gironde to cause some damage in Bourg and Blaye, but as usual outside reports exaggerated the effect on the Médoc vintage. Certainly it was catastrophic in the narrow belt hit—Moulins, Arcins, Arcins and Lamarque—and it has never been seen such an extent of brown, burnt-looking vines as stretched across the flat landscape north of Margaux, but neither that commune, nor St-Julien or Pauillac further up the Médoc was touched; and some at least of the Moulins vines may have been saved.

The small amount made—about 40 per cent less than last year's very large crop of red wine—was inevitable after extensive spring frosts in late March, followed by an uneven vine flowering and an exceptionally hot, dry July that inhibited the grapes from swelling. The rains later could not correct this, and the grapes arriving at the crushers were small, though very healthy and with little or no rot.

The grapes particularly damaged by frost were the Merlots, which bud earlier than the Cabernets Sauvignon and France. This could be a significant factor in the development of the vintage, for the Merlot produces a softer, more quickly-maturing wine than the Cabernets; so a deficiency of Merlot could disturb the balance of the wines in those estates where it is prominent, and result in a rather hard, slow-maturing wine with a good deal of tannin from skins thickened by the summer heat.

On the whole, the Médoc is Cabernet country, and a shortage of Merlot may be adjusted to some extent by careful blending, while in St. Emilion and Pomerol where the Merlot is much planted the result will be smaller output.

mate the quality of the 76 reds, this has not prevented many from doing so. Compared with the heard in Bordeaux introduced such varying years as '45, '47, '49, '52, '53, '55, '61 and '66. Some people must be proved wrong eventually, but in fact no one of trying to regulate the flow of wine on to a market already saturated first by the excessively high prices of even basic AC wine, and later by the large 73 and 74 vintages.

However, there are signs of business picking up in Bordeaux. The home market shows a decided improvement, some Bordeaux shippers are at least replacing stock sold, and the price of basic Bordeaux Rouge—the market indicator for over half the total Gironde production—has been rising sharply since July. For not only has Bordeaux had a good vintage but a much more successful one than elsewhere in France. Then with classed-growths and superior bourgeois wines down to consumable price levels, they are being bought by French drinkers, and also by customers in Belgium and Holland.

No premature rush

However, it is profoundly to be hoped that there will be no premature rush of offers to sell or orders to buy the 76s. It may be more difficult for growers, short of cash, to hold back than for their customers right down the line to the consumer, as none is in a position to finance the vintage by buying en primeur.

More than one leading Bordeaux merchant told me that they did not propose to buy the 76s until in bottle some two years hence. For very large stocks of 73s and 74s remain unsold, to say nothing of earlier vintages. Extinguished suggested that 70 per cent of the 73 vintage remained at the property or in Bordeaux, and that to date the classed-growths had only sold about one-sixth of their 74s.

Surely, too, any would-be speculators outside the trade must have learnt the lesson of the "investment-in-wine" bubble that burst only two years ago.

What is vitally needed for Bordeaux is a controlled disposal of surplus stocks and a return to ordered, profitable trading in which all parties from grower to consumer, know where they stand on a fair scale of prices. Towards this, the French Government has just provided a modest loan to its growers' interest on their bank loans, in return for an assurance not to unload their stocks

on to an already brimming market. How effective this will be for the many thousands of small growers producing only generic wines is doubtful, but it is a first step in the right direction of trying to regulate the flow of wine on to a market already saturated first by the excessively high prices of even basic AC wine, and later by the large 73 and 74 vintages.

It is noteworthy also that two at least of the first-growths have found some buyers for their 74s. Both Mouton-Rothschild and Latour have sold about half their production at Frs.30,000, and Frs.25,000 per tonneau (98 doz. bottles) respectively. If the prices are not a fraction of the Frs.120,000 demanded for their 71s, and credit terms are generous, at least the wines are on the move.

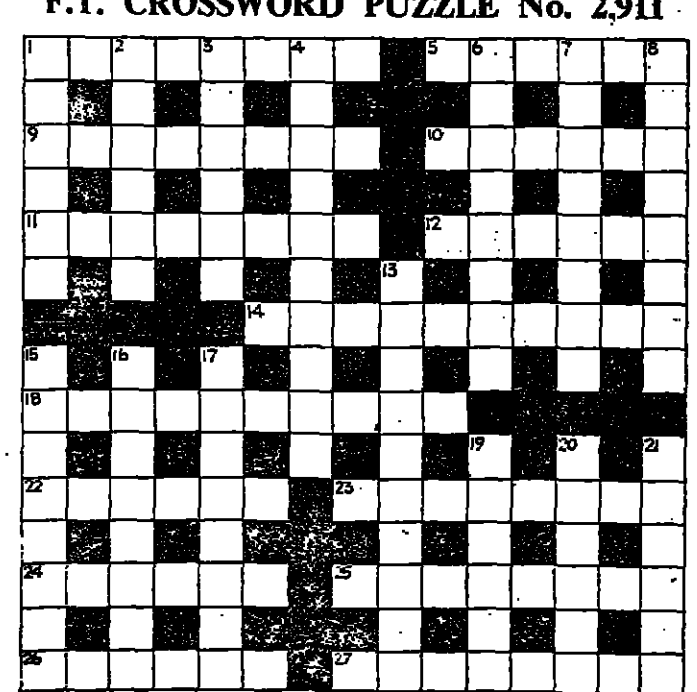
Very agreeable

Unfortunately, no recovery as yet can be accurately charted among Bordeaux's two most important fine wine customers: the U.K. and U.S. Exports to both countries showed a sharp drop in the wine year ended in August. In part this is the result of large stocks in the hands of British and American companies. One firm is said to hold in Bordeaux 270,000 cases of 70s, 72s; another has 200,000 cases.

With first-growths 70s and 71s being sold off in New York at \$12-\$15 and second at \$8-\$9, and a swarm of special offers here, there is not much incentive to buy more recent vintages of less assured quality—although many 73s I tasted in Bordeaux will make very agreeable light drinking within the next five years.

One good vintage does not make a Bordeaux summer, and it will be some time before conditions again become normal and regulated in an economically disturbed Western world, but at least a current can now be discerned in the hitherto stagnant Gironde wine lake.

F.T. CROSSWORD PUZZLE No. 2911



- ACROSS**
- Assiduous, albeit crude (8)
 - The old state of some in South Africa (6)
 - The Turks turn to Tom with a short reply (8)
 - He is always one among her messengers (6)
 - Fruit rests for coifers (8)
 - To court study may make us insensible (6) had a meal—make nothing of it (10)
 - "And art made — by authority" (Shakespeare) (6-4)
 - People get round to assist a young girl (6)
 - Rush to the President in Kent (8)
 - Numa's confidante (6)
 - Places the French comic among his stars (8)
 - All the Bible portion is found in Ireland (6)
 - The impudent fellow has not been up a year (8)
- DOWN**
- A figure of speech takes you in the company (6)
 - The cost of song coming from abroad (6)
 - Decorations that glitters but is not gold (6)
 - Food provided by redheads (6-4)
 - The place for a pierrot in Africa (8)
 - Restorative for an engineer laid up (8)
 - One who agrees is a fool to compete (8)
 - The masculine make-up in a criminal (10)
 - A new movement is not a — to some new object (Colby) (8)
 - You will find it ending in need (8)
 - Excellent association with lake and mother (8)
 - Specifies conditions in (6-4)
 - At the lun it meant stable accommodation (2, 4)
 - A queer boy, but certainly a favourite (4, 2)

Solution to puzzle No. 2910

- 16.55 Tarzan. 8.05 Oil Strike North. 9.00 News. 9.25 Play for To-day. 10.30 To-night. 11.10 Never Fear of Paradise. 11.35 Weather/Regional News. All Regions as BBC 1 except at the following times:—
- Wales—8.40-9.00 p.m. For Schools in Wales. 6.00-6.35 Wales To-day. 6.55-7.15 Heddiw. 7.15-7.40 Pen Draw'r Byd. 7.40-8.05 To-morrow's World. 11.10-11.35 Dechrau Stryd. 11.35 News. Scotland—6.00-6.35 p.m. Report.
- 11.10-11.40 The Scottish House. 11.40 Scottish News Summary. Northern Ireland—3.55-4.00 p.m. Northern Ireland News. 6.00-6.35 News Summary. 6.35-6.55 p.m. Ireland News Headlines. England—6.00-6.55 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).
- BBC 2**
- 6.40 a.m. Open University. 11.00 Play School. 3.00 p.m. Parents and Children. 3.30 The Do-It-Yourself Film. Animation Show. 5.00 Open University. 6.40 Ensemble. 7.05 Open University. 7.30 Newsday. 7.50 The Book Programme—Robert Robinson introduces a weekly look at hard and paperback; Prof. Richard Hoggart and James Burke talk about their own choices of recently published books. 8.15 Floodlit Rugby League: BBC 2 Trophy — New Hunslet v Leeds. 9.00 Tuesday Cinema: "Wedding Bells," starring Fred Astaire, Jane Powell, Peter Lawford, Sarah Churchill. 10.30 The Old Grey Whistle Test. 11.10 Newsnight. 11.35 Julian Glover reads "Famous Poet" by Ted Hughes.
- LONDON**
- 9.30 a.m. Schools Programmes. 12.00 Paperplay. 12.10 p.m. Rainbird. 12.30 Region 1 Flavour. 1.00 First Report. 1.50 Lunchtime To-day. 1.50 Emmerdale Farm. 2.00 Good Afternoon. 2.30 Couples. 2.50 Mid-week Racing from Sandown Park, covering the 3.10 and 3.40. 3.55 General Hospital.
- RADIO 1**
- 247m (3) Stereo music broadcast. 4.30 a.m. As Radio 2. 7.00 a.m. News. 7.15 a.m. News. 7.30 a.m. News. 7.45 a.m. News. 8.00 a.m. News. 8.15 a.m. News. 8.30 a.m. News. 8.45 a.m. News. 9.00 a.m. News. 9.15 a.m. News. 9.30 a.m. News. 9.45 a.m. News. 10.00 a.m. News. 10.15 a.m. News. 10.30 a.m. News. 10.45 a.m. News. 11.00 a.m. News. 11.15 a.m. News. 11.30 a.m. News. 11.45 a.m. News. 12.00 a.m. News. 12.15 a.m. News. 12.30 a.m. News. 12.45 a.m. News. 1.00 a.m. News. 1.15 a.m. News. 1.30 a.m. News. 1.45 a.m. News. 2.00 a.m. News. 2.15 a.m. News. 2.30 a.m. News. 2.45 a.m. News. 3.00 a.m. News. 3.15 a.m. News. 3.30 a.m. News. 3.45 a.m. News. 4.00 a.m. News. 4.15 a.m. News. 4.30 a.m. News. 4.45 a.m. News. 5.00 a.m. News. 5.15 a.m. News. 5.30 a.m. News. 5.45 a.m. News. 6.00 a.m. News. 6.15 a.m. News. 6.30 a.m. News. 6.45 a.m. News. 7.00 a.m. News. 7.15 a.m. News. 7.30 a.m. News. 7.45 a.m. News. 8.00 a.m. News. 8.15 a.m. News. 8.30 a.m. News. 8.45 a.m. News. 9.00 a.m. News. 9.15 a.m. News. 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Henri Gaudier-Brzeska and Charles Mahoney

by WILLIAM PACKER

wing, the business of exchanging ideas on paper, collecting, making beautiful marks, may be all that counts. And yet the risk is worth taking, for drawings can be wonderful things, covetable for their own sake, besides offering us a view of the processes and mechanics of making Art; the fascination of its resolution into form and order. Here lies the paradox, for a drawing well may fail as a failed autonomous object, and yet still be valuable, useful to the artist and enlightening to us, and curiously beautiful in consequence.

The work of Henri Gaudier-Brzeska embodies all these contradictions, and more, for his reputation has been bedevilled

garde. His sculpture was his by personal myth. He was strength, and it keeps it killed on the Western Front in 1915, aged twenty-three, leaving behind him the aura of personal charm and ferocious energy, and general regret that so much promise should be unfulfilled. It is a life designed to appeal to the spirit of more recent times: economical, and epigrammatic, genius unencumbered by the responsibilities of mature achievement. That Kenneth Russell should use it as a vehicle for his own fantasies was no surprise. He was the artist as hero, independent, of his work.

But after all the work itself was rather good; vital, radical and of its time, centrally placed among that pre-war avant-

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make the distinction clear, and are themselves as much a function of his way of working, all or nothing, as the successes, which was just the case, with Picasso in certain moods. Sculpture is necessarily more considered. This intriguing show remains open until mid-November.

Altogether the opposite, in attitude and manner, with no pyrotechnics at all, is to be seen at the Parkin Gallery until October 25, and then at the Ashmolean Museum, throughout November. Charles Mahoney died eight years ago, largely unknown except by his pupils and colleagues, one of those minor heroes of English Art whose work comes as a surprise and a pleasure. The drawings in this show are conscientious and single-minded, records of a close and repeated examination of the natural world, particularly plants and the human figure. These elements he brought together in works that are in the direct line of the English Palladian tradition, romantic, richly and densely worked, and frankly decorative. And they are so well made. The oil paintings are straightforwardly academic, sound but rather less personal, and a little dull.



Charles Mahoney: The Inspiration of an Artist

Berio's birthday

by DOMINIC GILL

Friday, the London Sinfonietta celebrated Luciano Berio's 50th birthday with a programme of his music, which the conductor himself conducted. It was inevitably so-way in the programme to provide a bensive, "representative" Berio's is an exceptionally uneven and varied of more than 75 publications—and the forces Sinfonietta's disposal will clear limits to their repertoire. It was just a little sad that the birthday hon did not include any very best works—minor pieces like *Eufonia*, *Laborinus II* or *Sinfonietta I* or *Circles*, nor the (so far) eight in their pure, unadorned form: nor even *Assaggio*, staged, he programme did include performance of the beautiful, 15-minute in homophonic, string textures, *Sinfonietta* (1964) or hear this again, and more afterwards on tape, it still more rewarding.

an important, substantial, post-war contribution to the genre. The early *Premi concerti* (1958-59), on the other hand, have never found a particularly beguiling work—nor did again on this occasion: long, bumpy, elaborate, fascinating as a technical thesis, far less convincing as a finished, rounded musical statement. Wider physical separation of the soloists could maybe have added a keener cutting edge. I was not wholly persuaded either that the recent *Cinemas IV*, which could be called, for once properly, an "extended" *Sequenza VII* for oboe and instruments—was much more than a pretty, but essentially (in musical terms) unnecessary embellishment.

The new piece of the evening, "points on a curve to find" for solo piano and 22 instruments, was nice—broad gestures, imaginative instrumental combinations, a swirling, tremulous keyboard perpetuum mobile, a little reminiscent of the viola *Sequenza*, just a quarter-of-an-hour long. The American Anthony di Bonaventura, was the dedicatee and the effective, steel-tongued soloist. Nice though hardly substantial. But the finale of *Folk Songs* with Cathy Berberian quickly put such dull thoughts out of mind. A marvellous performance; who else, at the end of an evening of "contemporary music," could leave us so happy, so sated and craving for more.

Festival Hall

Berg violin concerto

Sunday's performance of a 20th-century masterpiece still capable of unseating the Festival Hall, even on a Sunday (imagine a room at the Tate emptied by the presence of a Picasso or a Braque!) inspired a rare meeting of sympathies. The careful, complex working and structural definition of the concerto have led some soloists in the past to take a cool, even a stately view of the music, placing technical competence before emotional commitment.

Kyung-Wha Chung, soloist with the New Philharmonia, under Kurt Sanderling, is no violinist about whose technical prowess doubts need be raised (on the contrary—the mastery of abundant difficulties was breathtaking). To the forefront in her

Festival Hall

Elisabeth Schwarzkopf

by ELIZABETH FORBES

For her penultimate London recital, far from being made next April—Elisabeth Schwarzkopf chose a programme of songs by Hugo Wolf, the composer with whom, as a Ueder-singer, she is perhaps most closely associated. Though her voice now reflects only a pale shadow of its former lustrous tones, beauty, and though there are, as there always have been, throughout her long career, points of interpretation with which individual listeners may disagree, sometimes violently, there can be no question of the seriousness of purpose, the total dedication, the deep understanding, that Elisabeth Schwarzkopf brings to these songs.

At the Festival Hall on Saturday night it took her a considerable time to warm up and sing herself into voice. In *Frühling*, the first of three settings of poems by Mörike, was rather gingerly crowned, though the sound projected to the farthest corner of the hall. *Heimkehr*, the third Mörike song, still betrayed, with unsupported tone, the singer's vocal unease, while in *Die Zigeunerin*, a poem by Eichendorff, the Gipsy girl and her suitor were sharply characterized, but by verbal infection rather than contrast of timbre.

For a group of Goethe settings

the soprano was in much better form. *Gymnastik* suffered from contorted enunciation and *Phänomen* from a lack of simplicity, but both songs were confidently attacked, the line drawn smoothly, the words floated on an ample stream of tone. *Phänomen* was an example of the Scharkopf's artistry at its finest, the text pointed without over-emphasis, the melody shaped with exquisite delicacy and charm.

The second half of the recital was devoted to selections from the Spanish and Italian Song books. *Geh' Geliebter, geh' jetzt* from the former book, has long been one of the singer's most inspired interpretations; it now strains her resources to their utmost, and must make painful listening to anyone who heard her better than any other group of actors in town. Outstanding in this production are Kevin Kline as the robber, Patti Lupone as the village belle whom he robs of her chastity, Mary Lou Rosato as her wicked stepmother and David Schramm as her loving father. Unfortunately, *The Robber* *Bridegroom* has a short stay, being in repertoire with Marjorie Edwards II, Chekhov's *The Three Sisters* and Saroyan's *The Time of Your Life*.

New York Theatre

When will the season begin?

by GEORGE OPPENHEIMER

Seldom has a season begun so laggardly and with so many bad omens. What promised to be as good a season as last has so far broken its promise resoundingly. Whether that can be redeemed remains to be seen. At the moment, however, we are still at the mercy of a musicians' strike that has closed down all existing musicals and kept several others that were about to open from doing so.

Now Joseph Papp's projected series of new American plays at the Booth Theatre has met with setbacks. One play, *The Leaf People* by Dennis J. Reardon that was supposed to open early in October, has been postponed for additional rewrites and there is a rumour that one or more of Papp's productions are in trouble.

The season opened with a revival of Thornton Wilder's *The Skin of Our Teeth* with Alfred Drake, Martha Scott and Elizabeth Ashley in the leading roles of Mr. and Mrs. Antrobus and their maid, Sabina. Sabina starts off the proceedings by stating flatly that she doesn't like the play and, what's more, doesn't understand it. The critics took their cue from this speech and proceeded to give it a drubbing. I was not with them. For me, Wilder's philosophical comedy that depicts the misadventures of an American family through the Ice Age, through extramarital goings-on, through the Flood and through a war, escaping extinction by the skin of their teeth, has always seemed to me an entertaining and significant statement of Wilder's humane faith in the human race. However, I was lonely in my opinion and the play closed rapidly.

Then came a second revival, Eugene O'Neill's *Ah, Wilderness!* the only comedy he ever wrote. This, happily, seems to be prospering although it is only being given for a limited engagement. It is, more or less, what O'Neill would have liked his boyhood to be, the true picture being contained in the grim but admirable *Long Day's Journey Into Night*. Both plays take place in New London where O'Neill spent the greater part of his youth.

There is little plot, merely the action of a young boy going through the pangs of adolescence, encountering sex, first love and the flowering of a mind. Richard Backus plays the boy with sensitivity and there are fine performances by Geraldine Fitzgerald and William Sweetland, as

his parents and Teresa Wright as his maiden aunt.

My major complaint with the production, under the deft direction of Arvin Brown of the New Haven Long Wharf Theatre where the revival had its start, is the stage of the Circle in the Square, far better suited for a track meet than a show. It is an arena stage and so lengthy that faces are practically invisible when the actors gather at the far end and words almost inaudible.

I went down to Washington for a third revival, William Inge's *Private*, somewhat rewritten by Inge before his death, and restaged beautifully by Michael Montel. The stars of the occasion were Alexis Smith as the spinster schoolteacher, Nan Martin as the mother and a new comer, Ernest Thompson, as the young stud who comes to the small town and creates havoc. In fact the whole company was first-rate and the play is as true and moving as it ever was. There is talk of bringing it to New York.

Last and best is a musical in the midst of the musicians' strike. John Houseman's *Acting Company*, happily, had a contract with the musicians that has not yet terminated. As a result he was able to start his season with *The Robber Bridegroom*, based on a novella by Eudora Welty and a thoroughly joyful occasion it is. Gerald Freedman, who staged this fairy tale of the Deep South with consummate skill and imagination and Alfred Ury in his book and lyrics and Robert Waldman in his music have combined to make this fresh and comical musical into a romp. It is laid in legendary Mississippi and concerns a personable, sexy robber who disrobes ladies and disenchanted gentlemen (of their possessions) with equal skill and grace. The dances by Donald Saddler add to the fun, being mostly of the country square variety in keeping with the music.

Houseman's company consists largely of youngsters and they are better than any other group of actors in town. Outstanding in this production are Kevin Kline as the robber, Patti Lupone as the village belle whom he robs of her chastity, Mary Lou Rosato as her wicked stepmother and David Schramm as her loving father. Unfortunately, *The Robber Bridegroom* has a short stay, being in repertoire with Marjorie Edwards II, Chekhov's *The Three Sisters* and Saroyan's *The Time of Your Life*.



Robin Askwith, Hugh Paddick, Frank Thornton and Sheila Hancock in Robert Patrick's new play, *Play by Play*, which opened last night at the King's Head, Upper Street, N.1

Drury Lane

Robert Merrill

by ELIZABETH FORBES

Robert Merrill's recital at Drury Lane on Sunday contained some enjoyable items, but they weren't always the pieces one had expected to enjoy. Thirty years is a goodish innings for a dramatic baritone and Mr. Merrill shows no signs of retiring, yet, either from the opera house or the concert platform. His voice is still in astonishingly good condition, though some of the velvet that used to characterise the timbre has inevitably worn off.

The opening group of 18th-century songs and arias was sung stiffly and unadornedly. Mr. Merrill finished his recital provided the most satisfying and pleasurable singing of the evening. Entirely relaxed, his voice admitted that he did not make a by now well-worn up the baritone, and his pianist, Marion Merrill (who is also his wife) put across the spirituals, including the splendid *Joshua Fit the Battle of Jericho* with tremendous verve, and then entertained us to *If I were a rich man* from *Fiddler on the Roof*, Gershwin's marvellous it isn't necessarily so from *Porgy and Bess*, *Nemico della patria* from the melodious Rodgers and Hammerstein song *We'll never walk alone*.

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WORLD TRADE NEWS

Study into commercial banks in Guyana

By Our Own Correspondent

GEORGETOWN, Oct. 20.

THE FUTURE of foreign commercial banks in Guyana will be the subject of a study by the Bank of Guyana. The Government is expected to make an announcement on their fate next May, when the country celebrates its tenth anniversary of independence.

At a function marking the Central Bank's tenth anniversary, Mr. Forbes Burnham, the Prime Minister, asked the institution to advise him how to make the operations of commercial banks in general related to the development thrust, and in particular whether the presence of foreign banks is consistent with that thrust.

"If it is consistent tell me how; if it is not advise me what to do and how to do it," he said.

The foreign banks are: Barclays, Royal Bank of Canada, Chase Manhattan, Bank of Nova Scotia and Bank of Montreal.

The Guyana National Co-operative Bank, set up in 1970, is supposed to relate its operations more to the State-supported co-operative sector, but it has been competing directly with the foreign banks. Official policy so far has been against nationalisation, preferring instead "miniaturisation".

The rationale has been that since foreign banks mobilise national savings the only real asset to be nationalised would be buildings. However, with Mr. Burnham's leftward swing, ideology is playing an increasingly important role and nationalisation cannot be ruled out any longer.

Mr. Burnham also called on the Central Bank, in its direction of credit to the productive sector, not to overlook the co-operative sector, especially since Guyana was a co-operative republic.

Small business export awards

By Lorne Barling

SMALLER BUSINESSES whose export sales have increased substantially during the year are now invited to enter the national competition for the Export Award for Smaller Manufacturers.

The award is sponsored by the Government through the British Overseas Trade Board, British Airways which contributes prize holidays, the Association of British Chambers of Commerce, the Confederation of British Industry and the Association of Independent Businesses.

The Chamber, which administers the competition, admitted yesterday that response had been disappointing in recent years and it was hoped that more companies would enter, despite the rather stringent qualifying requirements.

"The prime intention of all the sponsors is to recognise and reward the vitally necessary contribution which our many, yet relatively unsung small businesses make to the economy," the chamber said.

The competition is open to any independent manufacturing company or group employing fewer than 200 people and whose exports exceeded £50,000 in the 12 months to March 31, 1977, and £100,000 in the following 12 months is eligible to enter, provided it has not won the award before.

EEC protests to-day before Anti-Dumping GATT committee

By DAVID EGLI

GENEVA, Oct. 20.

EUROPEAN COMMUNITY protests over anti-dumping hearings in the U.S. are expected to be rather subdued when the GATT Anti-Dumping Committee meets to-morrow.

The meeting was brought forward at the request of the Community, which wished to record its "grave concern" over the growing volume of investigations being conducted under the new U.S. Trade Act, and covering a wide range of European exports, including cars, special steels, flat glass and footwear.

One-fifth of EEC exports to the U.S. are believed to be involved in existing or pending investigations. At the time the GATT Council here agreed to bring forward the meeting of the Anti-Dumping Committee, it looked as though a potential clash over the hearings between the two major trading partners could have repercussions jeopardising the Tokyo Round of multilateral trade negotiations.

The U.S. was then linking the two issues, and indirectly warning the Europeans not to take cover behind the convenient "protectionism" of others and abandon the overall goals of the trade talks.

Since then, however, Mr. Frederick Dent, the U.S. Special Trade Representative, appears to have had second thoughts. In an apparent about-face, he has issued a stern warning to U.S. industry that the growing volume of domestic complaints against foreign trade practices was threatening to disrupt the international trading system.

Perhaps more important, he suggested that the administration might delay any final ruling on demands for protection against small motor vehicles until November, 1978, or after the Presidential elections.

That, as well as the announcement of yet another "reasonable understanding" reached between the U.S. and the Community on how to continue discussions of agricultural issues here, are read as clear indications that the U.S. administration does not wish to get involved at this stage in a potentially dangerous slanging match with the Community.

This feeling is certainly reciprocated. There have been indications in the last few days that both sides felt the situation was getting slightly out of hand. There is also the recognition on the Community side that, apart from lodging a formal protest in the Anti-Dumping Committee, as will be done to-morrow, there is very little more that could be done or threatened until the U.S. administration had actually taken action on one or other of the hearings in progress.

The Community now appears to recognise that the U.S. administration really is, on this issue, the prisoner of its own legislation.

Malta's visible trade gap again lower

By Our Own Correspondent

VALLETTA, Oct. 20.

MALTA'S VISIBLE trade gap continued its downward trend in the first half year, falling to £36.3m, a drop of £3.3m below the 1974 level. The improvement flowed from largely increased exports, which rose to £23.6m, against £22.5m. The import bill was unaltered at last year's figure of £59.9m.

Increased imports covered purchases of machinery and transport equipment and supplies to the industrial sector, mostly to beverage and tobacco companies. Consumer goods also rose by 12.5 per cent, to £35.5m. Most of the additional purchases were in response to a successful tourist industry.

Imports of raw materials declined sharply, largely because of smaller arrivals of synthetic rubber. Malta's fuel bill for the six months dropped £20.2m, to £36.3m. Food, chemicals and animal and vegetable oils and fats also fell.

Domestic exports and re-exports increased £4.1m, re-exports of mineral fuels, lubricants, food, beverages and tobacco now share 20 per cent of the island's aggregate exports.

Contracts Abroad

BROWN BOVERI to supply, erect and commission high and medium voltage switchgear to a total value of £25.5m, to improve the power supply to Doha, the capital of Qatar. Other recent orders include three from Saudi Arabian companies covering eight gas turbine sets worth £23.7m.

India, Japan plan linked development

By K. K. Sharma

NEW DELHI, Oct. 20.

COLLABORATION BETWEEN India and Japan on a wide range of economic activity—from water management to participation in petrochemical projects in third countries—is considered possible by the two countries.

The matter was discussed recently in Tokyo by a committee set up for the purpose, and according to Mr. B. R. Bhagat, leader of the Indian delegation, the scope of the Indo-Japanese Committee on Studies in Economic Development has widened to cover political relations and co-operation in scientific programmes.

The Tokyo meeting identified 24 projects also proposed by India and 15 by Japan—on which scientists of both countries could work. An example is metal corrosion.

The Japanese delegation was composed of senior economists and career diplomats, indicating the direction which Japan apparently wants to give to relations with India.

The impression gained by the Indian team is that Japan, engaged in a delicate balance of relations between the big powers, would like to expand and strengthen ties with India, which hitherto have been mostly on the commercial plane.

On political matters the two sides agreed that mutual co-operation and dialogue should substitute attempts at confrontation, according to Mr. Bhagat, who said the talks were "frank, friendly and forthright".

A particular area in which the Japanese are interested in helping India is rice cultivation. Their experience has led them to believe that water rice production could be doubled. That is why water management, seed development and fertiliser production, Japan is also interested in helping India to set up a steel plant and in going into partnership in third countries, especially the Middle East, where Japan is bidding for multi-million dollar petrochemical projects.

Aluminium duty

The Indian government has reduced excise duties on aluminium to make it cheaper for users both in India and abroad. The levy on producers of aluminium for electrical use has been cut from 55 per cent to 50 per cent, and distribution controls on the metal have been lifted. Price controls have ended.

The government aims to give "positive encouragement" for exports of aluminium, and to take advantage of the growing stocks of the metal to gain much needed foreign exchange. Details of an export incentive scheme for aluminium will be announced soon.

Hope for growth in Polish-U.S. trade to \$1bn. in 1976

By PAUL LENDVAY

VIENNA, Oct. 20.

AN EXPANSION of trade and co-operation is expected to be the result of the recent visit by Mr. Roger C. B. Morton, U.S. Secretary of Commerce, to Poland and Hungary. Mr. Morton said that two-way trade would rise from \$900m. to \$1bn. in 1976, and could be doubled to \$2bn. by 1980.

The Polish side expressed interest in increasing exports of engineering goods in addition to those of farm products and timber. It is hoped that deliveries on the basis of industrial co-operation and joint ventures would account for 30 per cent of the Polish exports to the U.S. by 1980. Prospects are favourable for broadening co-operation in such branches as mining and power, chemicals and electrical engineering.

Polish officials are reported to have pressed for "most favoured nation" treatment for Hungarian exports. Mr. Morton spoke out in favour of granting such treatment and said that an increasing number of U.S. Congressmen took the same view.

In contrast to trade with Poland, U.S.-Hungarian exchanges are still relatively modest. Last year Hungarian exports were only \$27m, and imports \$11m. Similar levels are likely to be reached this year. Although the U.S. share of total Hungarian imports rose from 1.5 per cent in 1970 to 2.3 per cent last year, there is scope for expansion. Farm products, glassware, pottery, etc., still account for about 85 per cent of the Hungarian exports to the U.S.

Mr. Morton felt that Hungarian-made precision instruments, pharmaceuticals and some textiles could find a market in the U.S.

Soviet trade with Bulgaria

Soviet-Bulgarian trade is scheduled to rise by 50 per cent to a combined total of 200m. (122.5m.) during 1976-80, according to a protocol signed in Moscow by the chairman of the planning committees of the countries. Mr. Kiril Kirilov, Bulgarian deputy prime minister, claimed that increased deliveries of Soviet coal, gas, oil and electrical energy would be an important guarantee to maintain the high and steady growth of the Bulgarian economy.

Mr. N. Babakov, the Soviet deputy prime minister, said Bulgarian enterprises would participate in the development of Soviet oil and gas production capacities. There were at present some 12,000 Bulgarians working primarily in timber production in the Soviet Union, he added, and the latest agreement "will involve considerable increase in the number of Bulgarians assigned to work on construction projects in the Soviet Union."

Successful U.K. mission to South Korea

By Our Own Correspondent

SEOUL, Oct. 20.

A BRITISH trade mission, which has completed its official programme in South Korea, is said to have sought a British liaison into the local arms industry, and has already received an encouraging response.

Mr. Derek Lambert, a director of Herbert Machine Tools, said two local arms manufacturing companies had entered into serious discussions with some of the 20 mission members for possible use of British engineering services in this field. He declined to disclose the details.

On other areas approached by the mission, Mr. Lambert said the result was so successful that "at least half of the members anticipated very good business deals in the near future."

Although still in its fledgling stage, South Korea's munitions industry seems to have good prospects following the recent legislation to raise some \$400m. a year in defence tax to finance arms purchases both at home and abroad.

"The Korean people," Mr. Lambert stated, "do not know about what the British can do in this field. Don't go only to the U.S."

AMERICAN NEWS

Brazil hopes for U.K. technology sharing accord

BY DAVID WHITE

RIO DE JANEIRO, Oct. 20.

CONSIDERABLE IMPORTANCE is being attached here to this week's European trip by Foreign Minister Antonio Azeredo da Silveira, who hopes to lay the basis for agreements on sharing technology, particularly with Britain.

Sr. Azeredo da Silveira said in an interview that he regarded co-operation with Western Europe as "basic" to Brazil's development plans. Brazil was looking to Europe, rather than to the U.S. for partners in joint ventures—such as the nuclear deal already agreed with the West Germans—to make use of Brazil's reserves of raw materials.

Co-operation with the U.S. has produced "a few serious disappointments," he said, particularly as regards supplies of nuclear fuel. But he denied that Brazil's pact with Bonn had created cooler relations with the U.S. Government, despite sharp reactions in the Press and Congress to the potential implications of Brazilian nuclear independence.

Referring to his proposal at the UN General Assembly for a commercial accord between developed and developing countries, Sr. Azeredo da Silveira said that he believed that the developing countries had matured in their views and were now in a position to negotiate. The accord would mean guaranteeing access to industrialised markets for Third World produce and a change in the debt structure.

Brazil, he said, had a special role to play in the Third World and this was being reinforced by links with black Africa. It did not favour the development of a separate Latin American bloc, and wanted a "realistic" and "flexible" framework for co-operation. The putative Latin American economic system (SELA), to be set up with headquarters in Caracas, "must be selective to be effective," he said.

On the possibility of re-establishing relations with Cuba, Sr. Azeredo da Silveira said this was more a problem of the U.S. than of Brazil. Brazil abstained in the Organisation of American States vote to end the blockade of Cuba earlier this year. It was more concerned with preserving the inter-American system than with Cuba, he said.

The interview was held before the Brazilian Government's decision to open the door to foreign oil exploration, but it is understood that search contracts will form part of the Minister's discussions in London. He is also due to sign a memorandum of understanding, covering various fields of economic and technical co-operation, including railways, steel and capital goods. The Brazilians are also looking for partners to build up their armaments industry.

Sr. Azeredo da Silveira leaves London on Thursday for Paris and later Rome. Mr. O'Shaughnessy writes: Trade and Brazilian purchases of British technology will be high on the list of priorities during Sr. Silveira's programme. During a visit to Mr. James Callaghan to-day, the Brazilian Minister will sign a memorandum of understanding which outlines areas of special co-operation between Brazilian and British industry. He will call on the Prime Minister to-morrow.

It is hoped that a major credit deal between Britain and Brazil will be announced before Sr. Silveira leaves London. British business will also be interested in the progress of plans for the \$5.5bn. Itaipu scheme, which the Brazilians are building with the Paraguayans, on the Parana river, the largest hydroelectric development in the world.

Mortgage futures market opens

BY JAY PALMER

NEW YORK, Oct. 20.

THE CHICAGO Board of Trade, America's largest commodities exchange, this morning opened the first-ever futures trading market in mortgages. While the Board's more normal fare is futures trading in agricultural commodities and gold, the basic idea is that a mortgage futures market will offer all types of fixed-interest investors a mechanism to protect themselves from adverse interest-rate fluctuations.

Initially, it is assumed that trading in the new contracts will be confined to the property sector with mortgage bankers, savings and loans institutions and other real estate groups hedging potential interest rate movements. With this extra protection from money cost variables, the CBOT claims, mortgage lenders will be less reluctant to make advance commitments and new liquidity will be added to the home-building industry.

The basic CBOT trading unit will be \$100,000 National Mortgage Association certificates carrying an 8 per cent coupon. Nicknamed "Ginnie Maes," these certificates are effectively mortgage loans which have been guaranteed by the federal Government.

Supporters of the new scheme claim that the new contracts will prove especially valuable because of the "commitment" nature of the home financing industry. At the moment a mortgage banker has to promise to buy mortgages in houses that will not be ready for sale for 12 or 15 months and, typically, the banker arranges to combine these commitments for sale in the secondary market to long-term investors.

With recent wide movements in key market interest rates, this long lead time between commitment and re-sale has been blamed for the drying-up of funds for private housing development. However the new market provides some measure of protection from interest rate movements and, as a result, a number of leading property financial organisations have said that they will double funds going to development.

Beame plea to Congress

WASHINGTON, Oct. 20.

NEW YORK City Mayor Abraham Beame warned Congress that if the city defaults on its bills to pay for the hundreds of millions of dollars in its bills will go unpaid across the country to the loss of cities where companies holding bills are located.

"What is happening to New York City is and will be repeated in other cities," Mayor Beame said in his statement. "We are not seeking a hand-out or a bailout. What we want is the use of the Federal Government's credit through guarantees of our securities until Federal Reserve Board Chairman Arthur Burns will appear before the House Committee AP-DJ."

The full U.S. Court of Appeals, for the District of Columbia, indicated they would do just that. The F.E.C. retreated. It said it would consider office accounts of political funds only in the case of a candidate who was standing for re-election, every second year for Congressmen and every sixth year for Senators. Even this concession seems unlikely to placate Congress which remains opposed. The only way such a reform could be accomplished, the reformers say, would be in the wake of a revelation of serious misuse of a "slush fund" or if reform-minded candidates made these funds an issue in next year's elections. Neither is considered likely.

To put its seal on its rejection of the F.E.C.'s tough stance, Congress has also spurned a draft regulation that would have simply clarified the reform law by designating the Commission as the prime depository for required reports rather than sharing this task with House and Senate officials. Congress is loath to cede any more of its prerogatives to the F.E.C.

In addition to its problems with Congress, the F.E.C. has been foundering on key finance matters relating to President Ford and Alabama Governor George Wallace. As a result, its image has suffered.

The President has been stumping the country as if 1978 were the election year. His trips are being financed in the traditional way with the cost divided between the White House and the Republican National Committee. Whenever the trip involves any political meetings, a problem arises, because the President is also an announced candidate for his party's nomination next year. He is expected to be challenged for that nomination by former California Governor Ronald Reagan. According to normal practice, Mr. Ford's political expenses ought to be covered by his personal campaign committee, not the party committee. While the F.E.C. has grappled with the problem, it has been unable to come up with an answer. Now, in an effort to forestall an attack by Mr. Reagan, the Republican National Committee has formally asked the F.E.C. headed by former Republi-

can Congressman Thomas G. Sawyer to collect royalties on the sale of his likeness on campaign buttons, because it allows it.

The campaign reform law supposed to eliminate the influence of "fat cats" that regard it, appears working. It provides for public finance general presidential campaigns, it has not eased burden of fund solicitation candidates for Congress Presidential primaries. A. advertently, it has created new committees of the two parties. Each is authorized spend about \$12m. in next campaigns exclusive of what may spend on general activities.

At the same time, the F fund which will pay his expenses of Presidential candidates after January 1 and all expenses of party nominees after National Conventions summer may run short for the Presidential Campaign Fund comes from Treasury as citizens indicate they want to see \$1 each allocated for that purpose. four into the fund. But contenders and two Republicans will not be enough around. As a result, the look for the Fund is rue same as for the whole of performance: good, but not enor-

Both the Senate and the House, which have 30 days to disapprove

THE FEDERAL ELECTION COMMISSION

A wilting flower

BY GORDON WEL

THE FAIR flower of election campaign reform, planted, fertilised and nurtured during the Watergate debacle, is now beginning to wilt. Members of Congress who were once eager to demonstrate their commitment to reform by arguing for and even voting for tough new laws are now obviously unhappy that the laws are being strictly applied.

The object of their attentions is the Federal Election Commission, a six-member group given the task of regulating campaign activities relating to Presidential, Senatorial and Congressional elections. It issues regulations, subject to Congressional confirmation, and renders advisory opinions on just what the law means. It audits campaign finances and checks to make sure that ceilings on contributions and expenditures are observed. It finds that a candidate violated the law, it bars that person from running again for two to six years.

The President appoints two of the members and Congressional leaders the other four. Although the campaign reform law went into effect on January 1, 1976, it took four more months for the members to be appointed. Of the six appointees, four had previously served in Congress and some critics worried that they would bend over backwards to give their former colleagues the benefit of the doubt.

To further complicate the Commission's launching, an unlikely coalition of liberals and conservatives... brought a suit challenging the constitutionality of the reform law.

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Both the Senate and the House, which have 30 days to disapprove

THE FEDERAL ELECTION COMMISSION

A wilting flower

BY GORDON WEL

THE FAIR flower of election campaign reform, planted, fertilised and nurtured during the Watergate debacle, is now beginning to wilt. Members of Congress who were once eager to demonstrate their commitment to reform by arguing for and even voting for tough new laws are now obviously unhappy that the laws are being strictly applied.

The object of their attentions is the Federal Election Commission, a six-member group given the task of regulating campaign activities relating to Presidential, Senatorial and Congressional elections. It issues regulations, subject to Congressional confirmation, and renders advisory opinions on just what the law means. It audits campaign finances and checks to make sure that ceilings on contributions and expenditures are observed. It finds that a candidate violated the law, it bars that person from running again for two to six years.

The President appoints two of the members and Congressional leaders the other four. Although the campaign reform law went into effect on January 1, 1976, it took four more months for the members to be appointed. Of the six appointees, four had previously served in Congress and some critics worried that they would bend over backwards to give their former colleagues the benefit of the doubt.

To further complicate the Commission's launching, an unlikely coalition of liberals and conservatives... brought a suit challenging the constitutionality of the reform law.

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U.S. Steel complain rejected

WASHINGTON, Oct.

THE TREASURY, as yet has ruled that steel from the European Community are not being subsidised in violation of laws.

Specifically, the Treasury rejected a complaint by U.S. Steel Corporation that the Common Market countries subsidising steel exports remitting value added tax on their domestic products.

Quebec plan wage, prices review board

By Robert Gibbons

MONTREAL, Oct.

QUEBEC will set up a wage and price review board with similar, less extensive powers to federal one, Premier Bourassa has said in City. One main reason avoid setting a costly precedent by allowing federal government over matters which under provincial jurisdiction as professional fees, he said.

Quebec, faced with a demand by its public sector for a wage increase, has been one of the provinces to support federal review program.

Strike closes Fiat plant

By Robert Lindley

BUENOS AIRES, Oct.

FIAT to-day closed indefinite period its rolling stock factory Cordoba City because of troubles, which have mounting there since September.

Production at the plant largest in Latin America, which employs 1,500 workers, has dropped to 30 per cent, normal, according to Fiat. Personnel at the closure "until indispensable conditions for co-operation returned."

Fiat says that exports totaling \$38m. stake. Most of Materfer production has gone to Cuba.

Meanwhile, another with large export sale Mercedes-Benz trucks for Buenos Aires province been idle since October. The Mercedes-Benz plant has dismissed workers who they say leaders of the strike plant.

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new planning

APOLLO

Edited by Denys Sutton

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The Irish food industry is on the crest of a wave of expansion... and there is plenty of room for overseas food interests to expand with it through mutual co-operation and the assistance of the IDA... In the twelve months ended March 31st 1974 the IDA approved grants of close on £9 million towards capital investment of more than £25 million in what might loosely be called the Irish Agri-Industry.

Food Trade Review February 1975

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OVERSEAS NEWS

Whitlam predicts Labour resurgence

By KENNETH RANDALL

CANBERRA, Oct. 20

WHETHER the Government's position showed any sign of budging from their line stances in the Australia constitutional crisis, Labour leaders, including the Minister, Mr. Whitlam, issued a series of rallies and the country today similar to those at the weekend in support of the Opposition leader, Fraser.

Fraser stood firm on declaration that the Opposition would not accept the Government's refusal to pass the Government's budget until Mr. Whitlam called new elections for houses of Parliament. Mr. Whitlam continued his flat rejection of the demand.

Whitlam predicted that within a month the Government would be in a position to pass the budget, and begin to work and the Government would.

Mr. Fraser was banking heavily on Press support for his move. But some of this support has eroded, and this is likely to alarm some of his supporters. A group of Liberal Party Senators, who estimated at four to nine in number, expressed strong reservations until last week at the use of the Senate for the second time in two years, to force the Government to the polls.

Mr. Fraser's Government has been in a position to carry on little more than a month, with drastic economies and a number of due payments now in arrears. The budget Bill will be sent again to the Senate to test the Opposition's resolve in continuing to oppose it.

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Kissinger to reassure Chinese leadership

By A SPECIAL CORRESPONDENT

PEKING, Oct. 20

SECRETARY of State Henry Kissinger opened talks today with Chinese leaders in Peking's Hall of the People. China's leaders will try to convince the Secretary of State that the danger of a new world war is not as great as it seems to be, and that Russia's recent wish for détente is a genuine one.

Kissinger's current visit is clearly going to deal with vital issues, rather than the usual Sino-American relations. The key words in talks began today will be "détente" and "hegemonism", two words which dominate Chinese thinking on foreign policy.

The purpose of Dr. Kissinger's visit is to lay the groundwork for a visit by President Ford later this year. But it seems apparent that the Chinese leadership, led by Vice-Premier Teng Hsiao-Ping, and Foreign Minister Qiao Zhan-Hua, will

forcefully impress on the Secretary of State their views on the approach of world war three and the dangers of what they call the Soviet "detente" brand of "peace".

China sees the growing rapprochement between the U.S. and the Soviet Union and the consequent relaxation of tensions in Western Europe as a direct threat to its own security. In preparation for Dr. Kissinger's visit the Chinese media has over the recent weeks carried an unprecedented torrent of attacks on the theory of détente and on the "reactionary elements of monopoly bourgeoisie" in the U.S. as well as the Soviet Union who the Chinese say hold political power. Dr. Kissinger will not be dealing this time with Premier Chou En-Lai's suave and persuasive opponent in debate, but the much blunter and outspoken Vice-Premier Teng Hsiao-Ping, who has been warning of the spread of such weapons.

Bhutto seeks French arms

By RUPERT CORNWELL

PARIS, Oct. 20

ARMED nuclear co-operation likely to be the main topic of the official visit to France of the Pakistani Prime Minister, Mr. Zulfikar Ali Bhutto, today.

Bhutto, who is in Paris Wednesday, will have talks with his French opposite number, Mr. Jacques Chirac, as well as the Defence Minister, M. Bourges. Tomorrow he will be the luncheon guest of President Valéry Giscard d'Estaing.

Pakistan Premier will be expected to win firmer French support for his country's policies, particularly towards India, and in return to receive a promised loan of \$100 million.

France did not supply its arms deliveries to India during the 1971 war, which led to the loss of Bangladesh. Bhutto's chances of his procuring arms supplies on this occasion will largely depend on how far Paris is prepared to waive its own rule that such goods are paid for at once. Pakistan's external payments are exceedingly fragile, and hitherto has relied on aid from fellow Islamic oil producers—whose forces are often manned by Pakistani technicians—for funds.

Much the same applies to economic relations. Both sides want to increase trade, but Pakistan's lack of foreign exchange is a daunting obstacle. The specific problems associated with the possible delivery of a 600MW nuclear station by France also loom large. Guaranteeing that the technology supplied will not be used for military purposes, Pakistan is deeply worried by India's nuclear capacity, but only last week in Moscow M. Giscard d'Estaing publicly expressed France's concern to halt the spread of such weapons.

Beirut erupts again

By HSAN HAJAZI

BEIRUT, Oct. 20

TEEN people were known to have been killed and about 100 wounded in renewed fighting here last night and today. Most of the city's streets again declared to be unsafe by the authorities because of the shooting and the use of snipers.

At night this Lebanese capital was hit by a series of rockets and shells, rifle propelled grenades and cannon fire from the city's internal forces which tried, but to no avail, to stop the fighting from continuing.

A new outbreak of hostilities after Beirut had spent one of its quietest Sundays in a long time. Once again, there was a suitable explanation for the outbreak of the recurrence of the fighting, in which militia men of the right-wing Phalangist and armed members of

leftist and Moslem groups were involved. Tempers had run high in the evening when the charred and mutilated body of a missing Moslem was found discarded in an alley. Earlier, unknown gunmen fired rockets into the port of Beirut a few miles north of the city, because the harbour was allegedly a base for smuggling arms for the Phalangist Party.

El Al lays off 1,000 crewmen

THE MANAGEMENT of El Al ordered 1,000 crew members on forced vacations and dismissed 100 temporary workers today in an attempt to cut costs as a wildcat strike by mechanics kept the airline idle for a fifth day.

AP-DJ

hania gets new planning chief

CAMEROON DUODU

ACCRA, Oct. 20

FORMER Executive Secretary of the UN Economic Commission for Africa, Dr. Robert M. Williams, has been appointed as a new Commissioner for Economic Planning in the wake of the death of the late Dr. Kwame Ninsin, former Minister of State for Foreign Affairs.

Dr. Williams, who has been in Ghana since October 9, will become the new Commissioner of Health and Social Welfare. They have been in the Government since January 1972, when they

retired from the army following their resignation.

Vorster and Smith talks finish

By Tony Hawkins

SALISBURY, Oct. 20

RHODESIAN Prime Minister Ian Smith and his three Cabinet colleagues who flew to Pretoria at mid-day today for talks with the South African Prime Minister are due back late tonight.

A Rhodesian Government spokesman said that the talks were scheduled to be completed later today and Mr. Smith and his colleagues would fly back to Bulawayo. Any statement, he said, might be forthcoming, he said, would be made in Pretoria.

Meanwhile, there is still no news of the whereabouts of the publicity secretary of the Mozambique faction of the African National Council, Dr. Edson Sithole. Dr. Sithole disappeared from outside the Ambassador Hotel in central Salisbury last Wednesday. His car was subsequently found at Unathi close to the Mozambique border, but his friends and colleagues continue to deny that he has fled the country. The only other viable explanation is that Dr. Sithole and his 16-year-old secretary (who is also missing) were kidnapped.

A planned demonstration today by about 150 Africans, including Dr. Sithole's sister and his fiancée, was turned back from Salisbury by police. The demonstration reflected continuing persistent suspicion on their part that Dr. Sithole's disappearance was connected with the authorities. Police have repeatedly denied that the nationalist lawyer is in custody.

Verbal support for North Korean policy at the UN by China is not likely to affect the real situation at present. Two resolutions are due to come up shortly at the General Assembly. One proposes to terminate the UN command in Korea, submitted by the U.S. and Japan and others. It is unacceptable to the Chinese (and the North Koreans) because there is no mention of the withdrawal of foreign troops which are mainly American. Though currently serving in the UN command, they would remain under the U.S.-South Korea mutual defence treaty. The second resolution, submitted by Algeria, China, and others, proposes that the UN command be dissolved and all foreign troops withdrawn. The armistice agreement would then be replaced with a peace agreement. Whatever the outcome at the UN, it is most unlikely to affect the U.S. decision to leave American troops in Korea.

The determination of the U.S. to pull out of South Korea at present seems unshakable, partly from consideration for Japanese security interests. As for a reunification of the two Koreas, since it is inconceivable that President Kim would envisage any long-term arrangement without himself as boss, any discussions of the topic seem doomed to failure. The best hope for Korea as far as the West is concerned at present is some form of agreement which guarantees the continuation of the armistice after the dissolution of the UN force which, after all, has preserved the peace since 1953.

For years North Korea trod a middle path in the Sino-Soviet dispute, inclining slightly to Moscow to offset the proximity of Peking. For the Chinese the issue of Pyongyang's allegiance was not an immediate one and

they were able to tolerate the situation. But the sudden Communist victory in Vietnam last spring brought the issue to the forefront. Kim Il Sung hurried to Peking to find out, it is believed, what help he could get for a sudden sally on the South while the U.S. was still unmoved by events in South East Asia. The Chinese evidently dissuaded him from moving hastily. But they cannot afford to be less

CHINESE INFLUENCE IN ASIA

The Korean connection

By COLINA McDUGALL

NEW YORK, Oct. 20

SECRETARY of State Henry Kissinger said in an interview published here that the United States would be willing to recognise North Korea if the Soviet Union or China recognised South Korea.

Time magazine had asked Dr. Kissinger to comment on the rejection by China and North Korea to his suggested conference between concerned powers on the divided country. "We would be prepared to participate in any negotiations or in any conference whose composition was reasonably balanced," he said.

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The eviction of a British couple from their farm in southern Portugal has focused interest on the drive for land reform in a country where local action by farm workers has run ahead of government policy.

Jane Bergerol reports on

The agrarian muddle

THE HOTTEST seat in Portugal's Government is that of Antonio Lopes Cardoso, the Socialist Minister of Agriculture. The fate of the south, where the political manoeuvring lies, is the most important of his responsibilities. The reform will be complex to administer, expensive to execute, and politically sensitive. On it will depend the lease on life of the government, the reputation of the political parties in it, and indeed the success of the revolution of April 25. Unhappily, the politicians are all making hay out of the issue.

The Communist Party, with its main stronghold in the southern Alentejo, where farm labourers work massive latifundios of great absentee landlords, is intent on proving that it is the prime mover and that the Socialists are warring.

The Socialist minister is coming under fire from the Communist-dominated agricultural workers' trades union. It has twice threatened to paralyse food supplies unless he makes urgent credit facilities available.

It has now been done, and the Minister went one better, arranging for agricultural machinery to be moved out of warehouses on to the farms, with a government guarantee to suppliers.

To his right, Popular Democrats and Centre Democrats are actively campaigning against reforms in the north. Anxious to consolidate their electoral strength amongst the region's small farmers and share

croppers, both Centrist parties are spreading scare stories that small farmers may be expropriated like the great landlords of the south. Behind the political manoeuvring lie urgent problems of organisation, technical assistance, and credit to prevent agricultural production slumping next year. Portugal already is heavily dependent on food imports and could ill afford the resultant increase of the payments deficit.

Dispossessed

Ploughing and sowing the new wheat crop in the south is of the most immediate importance. Around 50 per cent of agricultural land in Alentejo—or about 960,000 acres—have been occupied by farm labourers who in effect have dispossessed the big landowning families. Their record either as gentleman farmers or in most cases absentee landlords was indisputably inadequate, quite apart from the question of the very low wages they paid under the protective umbrellas of Salazar and Cae-tano.

Farm wages as late as 1973 were about 27 a week. Massive production from the land took place. Agricultural production fell by 3 per cent in the decade up to 1972. At that time 800,000 farms had 17,000 tractors and 54,000 electric motors. Before the revolution over half of Portugal's farmland was in the hands of 11 per cent of "farmers." Of the rural population, 68 per cent were illiterate. From the start of the revolution agrarian reform, the break-

ing up of the massive latifundios in the south, was top priority. Small tenant farmers and landowners in the north were to be encouraged to form co-operatives.

The Socialists, in their party programme, foresaw a gradual nationalisation of the big agricultural companies in the south, and gradual building of co-operatives in the north. What occurred was a spontaneous uprising by the southern peasants to take over the land they had worked, and the dynamics of this takeover pushed the reform programme ahead faster than the Government has managed to follow.

Now that the southern farm-workers are receiving help from the Institute of Agrarian Reform there is hope that credit bottlenecks can be cleared, that planning for next year's harvest can go ahead, and that maintenance and purchases of more agricultural machinery will be organised with the help of Institute experts. But there is an acute shortage of qualified manpower.

"We want to go ahead and work things out for ourselves. But we need technicians to open the doors for us. For years we've known how much more could be done, we know the soil. We could put sunflowers in the top field over there and tomatoes. We could go into ranching again—then with calves we'd double our assets in a year." Manuel is one of the tractor drivers at Diabloria, a farm belonging to one of Beja's richest families and occupied in July. Of the family's total holding of 24,000 acres only

about half were under plough. At Diabloria, about 1,500 acres are worked by 10 labourers, six of whom are illiterate. The tractor drivers are the elite and have been elected to form the workers' council.

In northern Portugal, the plight of the small farmers was a powerful contributing factor to the anti-Communist violence in the summer. With the 1974 wine vintage unsold until a major deal was concluded with the Soviet Union last month, the barrels on the farms are still full. Collection of this year's high-quality vintage is being postponed. Urgent credit facilities have been available to the farmers since last May, but in their remote villages the nearest bank seemed a long way off, and they have failed to take up even half the Government's allocation of credit either in kind—fertilisers and seed—or in cash.

Overloaded

The Institute for Agrarian Reform, and its regional offices, are overloaded with work—and luckily has escaped heavy bureaucracy, being staffed by young and enthusiastic technicians. They feel that Portugal could become virtually self-sufficient in major foods: cereals, meat and milk as well as expand its agro-industrial exports. But skilled manpower is short, the remaining landowners of goodwill have lost confidence in the Government's power to protect them from wildcat occupations, and so next year's crop, most predict, is bound to be smaller.

'We still hope to get the farm back'

MRS. PATRICK WARDLE, wife of the British farmer who has been evicted from his property in Portugal by armed peasants, said today she and her husband were trying to obtain an armed escort for a trip back to the farm. Mrs. Wardle said she wanted to retrieve winter clothes and pets belonging to her seven-year-old son.

She said that her husband had twice been to infantry barracks in the Portuguese town of Elvas to seek military protection for the trip to the farm—but with-

out success. The British ambassador in Lisbon, Mr. Nigel Trinch, has asked to see the Secretary of State at the Foreign Ministry, Dr. Jose de Medeiros Pereira, today to discuss the take-over of Mr. Wardle's 1,242-acre property—the first affecting a British subject in 18 months of his Portuguese revolution.

The ambassador will also raise the matter to-morrow at a meeting with the Socialist Minister of Agriculture, Sr. Antonio Lopes Cardoso. He controls the Institute of Agrarian Reform

which encouraged a group of labourers to occupy the farm last week.

Mrs. Wardle said today: "We're still hoping the tide will turn back and we'll be able to get the farm back."

An EEC delegation arrives in Lisbon today to discuss ways of channelling aid to help up the ailing Portuguese economy.

Prime Minister Jose Pinheiro de Azevedo, whose Government's economic problems form the background to a continuing political crisis, is expected to

announce austerity measures on Friday when the talks with EEC officials are over.

The discussions will be within the framework of existing agreements between Portugal and the EEC and will also deal with specific financial aid for the thousands of Angolan refugees arriving in Portugal. The EEC Minister has said people would have to produce more and consume less and that the country now faces a period of "relative austerity."

French poll: only the Communists discomfited

By Rupert Courtwell

PARIS, Oct. 20.

EVERYONE except the Communists seems to have found something to cheer in the outcome of the by-election this week-end at Chateaufort, where the Centrist M. Pierre Abelin narrowly beat off a strong Socialist challenge to his seat.

The present Government, having committed so much of its prestige to ensuring that one of its Ministers was not humiliated, is understandably relieved. Its more ebullient members are even claiming a famous victory, in that despite a huge effort the Socialists failed to win.

The latter, equally understandably, are drawing great satisfaction from the way in which a 61 per cent majority for Gen. Franco was reduced to under 53 per cent. Only the Communists, whose candidate, despite being a prominent local figure, was beaten into third place in the first round, are showing distinct signs of gloom. This further evidence that the Socialists are the biggest winners on the Left could yet lead one more to open hostilities between the two parties.

Inevitably Chateaufort has produced not only hot political passions but also a spate of opinion polls and mock elections portraying the state of the French parties—albeit some three years before M. Giscard d'Estaing is obliged to go to the country.

Where they all agree is that the Left, and in particular the Socialists, are on the advance. L'Express magazine goes further by proclaiming that a general election to-morrow would produce a large majority for the Left, with the Socialists practically doubling their National Assembly strength to 206 from today's 107.

The ranks of the Gaullist UDR would be halved, to 83 from 173, while the President's own Republican Independents would have only 50 seats instead of 70. A more moderate, and almost certainly sounder, assessment of the situation however, is provided by the evening paper France Soir.

Its finding is that in the first round of Parliamentary election the combined forces of the Left would gain 50 per cent of the vote against some 46 per cent in the previous legislative elections of March 1973. The Socialists emerge as easily the strongest party with 25 per cent of the poll, followed by the Gaullists with 21 per cent, the Communists with 19 per cent (compared with over 21 per cent two years ago) and the Republican Independents with 17 per cent (against 74 per cent).

For the President, the most worrying aspect must be not the comparative decline of his majority—normal enough in mid-term elections—but the squeeze on the Centre, around which he has hoped to build a new political map of France. Instead every sign is that the growing polarisation of national politics is eating into the splintered Centre from both sides.

Spanish Premier planning new liberalisation drive

BY ROGER MATTHEWS

MADRID, Oc

SPAIN'S embattled Prime Minister, Señor Carlos Arias Navarro, is planning a major political offensive to try to win back the ground that he has progressively lost during the past nine months. This became clear today as speculation continued over the health of Gen. Franco, General Franco, who contracted malaria on Thursday.

Sen. Arias' plan, which was formulated ten days ago with the assistance of his inner cabinet of advisers, will initially aim at reacting against and broadening the scope of his February 12 speech last year which promised a mild degree of political liberalisation.

The second, and obviously more tentative stage would be the formation of a "coalition" Government that, semi-official sources say, would depend on a definite retirement date for Gen. Franco. Equally it could be brought forward as the next Cabinet of Prime Juan Carlos, especially if Gen. Franco's health should suddenly worsen.

The Prime Minister, apparently recognises that his new initiative will also depend on relative freedom from political violence.

Another wave of police killings could make the pressure for further extensions of the state of more moderate Ministers. Plainly this will also be understood by both extreme Left and extreme Right.

Already the groundwork for the Arias plan has been laid. A meeting of the inner political group of the National Movement, the only permitted political organisation in Spain, agreed without dissent last week that a programme of "reform" should be offered to the Government as a contribution to the solution of the present problems. The main instigator for this movement, in collaboration with the Government, was Sen. Orti Gorda, one of the brighter young lions of the regime.

This is likely to be backed up on October 24, when a keynote speech to the National Movement on the anniversary of the foundation of the Falange. The aim is then to modify the law on political associations, introduced at the end of last year, to make it more acceptable to those conservative political groups which have so far refused to play. The Premier is particularly keen to woo such men as Fraga Iribarne, due to quit as Spain's Ambassador to London next month.

There remains no chance however of the fast bulk of Spain's ill-fated political groups parties. Behind the initiative, however, for Spain is nothing more than the fear that if it is attempted, the Prime Minister apparently sees Spain descending into a vortex of violence if either extreme Right or Left are allowed to gain the ascendancy. At this time the economic damage being done to the nation because of the current uncertainty.

For those key political figures agreeing to take part in broadened associations there is the prize of participating in a "coalition" Government. Sen. Arias is believed to be thinking of such men as Sen. Fraga and other ex-Ministers Federico Silva, Lopez Rodo, Lopez Bravo, Licio de la Fuente, and perhaps former Ambassador to

Washington, Jose Maria de Arellano. The participation of such people would obviously depend on the guarantees they were given, essentially about the departure of Gen. Franco.

Medical sources stressed today that obvious care had to be taken of an 82-year-old man who had contracted influenza. There was no immediate alarm over the general's health although he had undergone a precautionary reason to believe that he had undergone a mild degree of political liberalisation.

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UN hears Sahara appeal

UNITED NATIONS, O

SPAIN asked the UN Security Council today to issue an urgent appeal to King Hassan of Morocco to call off the planned march of 350,000 Moroccans into the Spanish Sahara.

Accusing Morocco of planning an invasion of the territory, which Spain has vowed to grant independence, Spanish Ambassador Jaime de Pines said his Government would not accept any responsibility for what might occur if the march went ahead.

He told the Council meeting, called at his request, that Spain publicly denounced the intolerable threats of the Moroccan Government and requests that this Council act immediately.

He suggested that the UN send a mission to establish the purposes of the march. A mission could visit Spain and was allowed to enter the Sahara, he said.

The territory, one world's principal phosphate, is largely British but has a population of about 70,000 people. Senior de Pines said the situation if the countries were invaded by a mass of four or five times the national population. "This whole thing," he said, "is a threat to the peace of the world."

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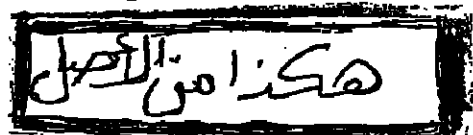
If you come to Switzerland on a Friday or Saturday and return to England on the following Sunday or Monday after November 1st, you can make quite a saving. Which, for a businessman who's got a meeting on a Friday, makes a weekend in Switzerland an even more attractive proposition.

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Manchester to Zurich	£82.70 return

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Finland trying to slow rate of car imports

By Lance Keyworth

HELSINKI, Oct. 20.

THE FINNISH Government has submitted a Bill to Parliament proposing an increase in tax on cars and motor cycles for one year in an effort to slow imports. The increase would be 30 per cent until the end of this year, 20 per cent for the first half of 1976 and then 10 per cent for the latter half.

The tax would be charged on both imported and domestically produced vehicles. There is only one car factory in Finland, Saab-Varner, and in 1974 it sold about 13,000 units in the country. The average annual requirement of new cars in Finland is about 100,000 units.

To prevent a rush on imports before Parliament approves the Bill, the Government has decreed that a special charge will be levied on all imported cars in the interim. This amounts to 50 per cent of a car's value.

The 30 per cent tax would add about F.Mks.2,700 (nearly £940) to the price of a small family car, which now costs F.Mks.20,000 (£2,500). The F.Mks.40,000 car would cost an extra F.Mks.5,800.

It has been referred to the court by the Cantonal court of Rotterdam in connection with a criminal case against Mr. Adrian de Peliper, managing director of Centrafrim. The company has already made legal history when it caused the European Court

France blocks increased EEC aid offer to Malta

BY REGINALD DALE

BRUSSELS, Oct. 20.

FRANCE HAS surprised her EEC partners by blocking a Community offer of increased financial aid to Malta that was intended to coax Mr. Dum Mintoff's Government to the Brussels negotiating table.

Malta has persistently refused to negotiate a new trade and aid deal with the Community under the Nine's "overall" Mediterranean policy on the grounds that the original five-year aid (roughly £5m.) was totally unacceptable. The Maltese have demanded an absolute minimum of 30m. units.

At the last Council meeting of Foreign Ministers earlier this month, the U.K. Government finally dropped previous objections to a compromise proposal that would have the effect of raising the figure to 26m. units.

The seven other countries already supported the plan and France was expected to fall into line after further consultations in Paris.

Last Friday however, the French and their colleagues in the committee of Permanent Representatives here that Paris could still not agree to the increase, and the whole matter

must now go back to the Council of Ministers. If M. Jean Sauvage, the French Foreign Minister maintains his opposition, it is difficult to see how negotiations can start with the Maltese unless Mr. Mintoff is prepared to climb down.

CYPRUS FARMER KILLED AT BASE

By Our Own Correspondent

NICOSIA, Oct. 20.

A GREEK Cypriot shepherd was shot and killed by Turkish troops yesterday while grazing his flock within the British base of Dhekelia. It was announced today. A United Nations spokesman said the body was found and picked up by a UN patrol this morning.

The incident came as Greek Cypriots eagerly awaited news from Ankara on whether the Turkish National Council meeting there would decide to pull back Turkish troops from some of the areas they have been occupying since the invasion last year. The British bases area is some four miles from Famagusta which is under Turkish army control.

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Oslo proposes top hire gro State concern to market of Hertz closure

By Foy Gjester

OSLO, Oct. 20.

THE CREATION of a new dominated petroleum company which would be 50 per cent share of the Swedish oil producer

Ulster Convention will hurry its report

BY GILES MERRITT

A SURPRISE turnaround, such smaller moderate parties as the Alliance and Mr. Brian Faulkner's Unionist Party of Northern Ireland, is to complete its report of the Convention by mid-October. The decision to push through the report with the utmost urgency was taken yesterday by the Convention's steering committee, which is preparing to go past the Westminster Parliament as a 78-seat Assembly to extend a form of devolved government to the north by a further three months.

The move to rush the report is a similar view to that held by the Vanguard Party, which is known to believe that his has received the support of the majority of the mainly emergency government pact of the Social Democratic and Labour Party, as well as those of greatly improved chance, once the Convention has reported.

Ulster Convention members will then consider themselves absolved of their election manifesto pledge to oppose any such pact.

On Thursday there is to be a brief one-day Convention debate of the five different party draft proposals on devolved government, but the real business of finalising the report will be done during the three-day Convention session beginning on Wednesday next week.

A final session on November 7 is planned to rush the report through the chamber only hours before the Assembly's term expires.

Likely

With the chances of any political settlement in Ulster postponed to what is being called the "Convention Phase 2" when the Assembly meets, the report is in any event likely to extend the Convention's life.

It remains to be seen whether he gives it a further three months from November 8, or allows it to be temporarily dissolved. Probably he will opt for the former, as Westminster will be asked to match Stormont's new urgency and reject the report as quickly as possible.

The nine-man breakaway group, headed by Mr. Ernest Baird, who recently resigned from Vanguard over Mr. Craig's emergency Government plan, has decided not to form itself into a new political party.

It announced yesterday that it is to constitute a group called the United Ulster Unionist Movement, which will be part of the UUUC coalition but independent of both Mr. Harry West's Official Unionists and the Democratic Unionist Party, led by the Rev. Ian Paisley.

Iceland, U.K. hope for fishing deal

BY STEWART DALSY

IN SPITE of firm unilateral declaration of a new 200-mile fishing limit last Wednesday, Iceland remains optimistic that another "cod war" can be averted when the bilateral agreement between Great Britain and Iceland runs out on November 13.

Iceland says it has adopted the 200-mile limit because this is what it believes will gain wide acceptance—particularly since U.S. Secretary of State, Dr. Henry Kissinger, has interested himself in fishing limits.

Iceland feels, according to its embassy in London, that the 200-mile limit will be accepted at this stage, but we must do something. Our conservation grounds have almost gone.

Iceland last attempted unilaterally to enforce a new limit of 50 miles—in 1972. This led to the so-called "cod war" of 1972-73 in which Icelandic gunboats harassed British trawlers to such an extent that the Royal Navy was sent in to protect them.

Eventually a two-year agreement was reached between Britain and Iceland which gave British trawlers access to certain Icelandic waters between 12 miles and 50 miles.

This is the agreement which runs out on November 13, and technically Iceland feels it can then impose the 200-mile limit. It is clear, however, that both countries really want another agreement of some kind. It is in the House of Lords yesterday, Lord Beswick, the Minister of State, said he understood that 25 to 35 Russian vessels had fished in the 50-mile limit while Iceland will attempt to alter and 40 miles off the south-west coast.

British vessels are allowed within the limit.

Under the present agreement Iceland's fishing waters within the 50 and 12-mile limits are divided into six areas, five of which are in use at any one time. Iceland has claimed that 50 per cent. of the total free-swimming fish catch around its shores continues to be taken away by foreign nationals, particularly Britain and West Germany.

Reykjavik has in the past appealed for international sympathy in its fishing disputes on the grounds that it is heavily dependent on the industry. Its fishing catches supply something like 85 per cent. of its exports.

Iceland is thought likely to want to come to terms with Britain, because it is anxious for a good relationship with the Common Market. It sees the EEC as an area in which it might expand its market.

Russians

Meanwhile, as the agreement between Iceland and Britain runs out, Russian ships are fishing so close to British territorial waters that they are taking as much mackerel in one day as local fishermen catch in a week. Baroness Vickers claimed agreement of some kind. It is in the House of Lords yesterday, Lord Beswick, the Minister of State, said he understood that 25 to 35 Russian vessels had fished in the 50-mile limit while Iceland will attempt to alter and 40 miles off the south-west coast.

Escort sale drop blamed on Halewood workers

By Terry Dodsworth

WORKERS AT Ford U.K.'s Halewood plant, Liverpool, yesterday came under strong attack from Mr. Albert Caspars, the plant manager, for their failure to meet production targets.

Mr. Caspars put the blame for the Escort's slide into fifth place in the British sales league last month squarely on low productivity.

Ford's 11,000 workers at Halewood are producing about 700 cars a day against targets of 900, although they have been up to 800.

Writing in the Halewood plant magazine, Mr. Caspars said that last month the Escort slipped from the top of the British sales league because "we simply did not provide sufficient Escorts to enable our dealers to meet outstanding orders."

"With a better supply of Escorts we could have got more than our traditional 25 per cent. of the September market."

Ford's anxiety partly stems from the opportunity to increase exports of the new vehicle particularly to parts of Europe where the U.K. company was virtually excluded for several years. About 350 cars a day are being made for export.

On the home front, delivery times for the Escort are running at least a month, and at times three months, behind orders depending on the specifications.

This, together with British Leyland's lack of stocks after its sales surge last month, is one reason behind the rise in the importers' penetration of the U.K. market this month.

GLC wants noise rules enforced on Concorde

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Greater London Council wants the noise rules strictly enforced for Concorde when it starts passenger services from Heathrow on January 21, even if some special operational or economic arrangements are made for the aircraft.

The GLC is not against any special noise dispensation for the aircraft, if the Secretary of State for Trade thinks that is necessary, but it is strongly against Concorde being allowed to make what noise it likes.

The GLC's views are contained in a report on the aircraft's noise, endorsed by the council's planning committee yesterday.

The report is based on the council's own monitoring of the noise disturbance from Concorde during the route endurance flying from Heathrow this summer.

The Department of Trade made its own separate tests, the results of which have already been published, showing infringements of the noise rules on 26 out of 37 take-offs.

The GLC's tests, as detailed in the report, show Concorde to be more than twice as loud on take-off as the noisiest subsonic jet aircraft at Heathrow, and up to six times as loud as the new generation of wide-bodied aircraft, such as TriStar.

This was disputed later by the British Aircraft Corporation, which, with Aerospatiale of France, has produced Concorde. The company claimed that the official DoT figures, issued last week, show that out of the 37 monitored take-offs, 11 created no infringements at all, and 13 created only marginal infringements.

The BAC stressed that, during the flights, noise abatement procedures were not given priority. When the full procedures were used, there would be a noticeable improvement in the situation.

The GLC's planning committee, in endorsing the report yesterday, urges the Secretary of State to provide increased noise insulation grants, support the arguments of the Heathrow Consultative Committee for a ban on night movements by Concorde, and require the retrofitting of older jets with "hush-kits."

The GLC's report suggests that Concorde would exceed the current Heathrow noise limits on 80 per cent. of its flights, representing a substantial increase on the present level of noise violations.

Many plants 'facing Flixborough peril'

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH INDUSTRY has many stories, including oil refineries, chemical plants and gas works, where a Flixborough-type accident could occur, according to a senior Government inspector.

Mr. Frank Ireland, chief of the Health and Safety Commission, commenting on a sobering thought in a latest annual report says that, understandably, the inhabitants of Flixborough are not keen to see the works re-start, as they are planning no evidence was of adverse effects from pollution after the explosion at Nympy's works, which led 28, the story "might have been different" had the monia storage spheres not failed last.

side issue, which the accident disclosed, was that there is no expertise readily available in testing for air pollution around the factory. The local authorities tested for carbon monoxide, finding none, "they were not fully aware of what to look for," says the report.

Since the explosion, in June 1974, the local authorities have begun to collect information on hazardous material used throughout South Humberside to make appropriate test equipment available in the event of major escapes of chemicals. The report notes that the new Health and Safety Commission, which the chief alkali inspector.

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now reports—has set up a for Hazards Unit to survey all potentially hazardous industrial sites.

Commenting upon radioactive gases from nuclear industry activities, the report says that though there were some minor incidents last year, no public health hazard arose. A shoal of at blocked the seawater in of the Dungeness A nuclear station in Kent, causing a temporary reactor shut-down. agreement has been reached

Avis is top hire group after Hertz closures

FINANCIAL TIMES REPORTER

IS, the car hire group, used say it tried harder because it is number two in the car rental league. Now it just says tries harder.

The very successful catch-up has been amended cause cuts by the American. Its company have meant that has slipped behind Avis, mainly in Britain and probably Europe as well.

Hertz started to prune its U.K. fleet last November. As a result of cutting some 30 to 35 per cent. of its branch offices, it now has just 70 outlets in total. It is well behind both Avis, which is an American group, and also, it appears, Godfrey Davis, the British car hire company.

In effect, Hertz is number three in Britain. According to its, its total fleet of around 30 cars is almost double that Hertz's. Godfrey Davis, Avis, has a fleet in Britain similar in size to its own. As far as Europe is concerned, neither Avis nor Hertz is sure

which is larger, although Avis claims it is bigger in fleet terms, if not, possibly, in revenues.

Neither Hertz nor Avis is still far and away the largest car hire group, world wide, in terms of revenue, outlets or number of vehicles.

Hertz has claimed that as a result of its cutbacks, particularly in France and West Germany, which took effect last July, it has become profitable again in these countries.

SCOTS. TRAWLER REFLOATED

An Aberdeen trawler, Kinellam, has been refloated after running aground last night off the Orkney Islands of Sanday. It will be inspected for damage at Kirkwall.

QUIET LAUNCH FOR P & O TANKER

SWAN HUNTER yesterday launched Gandara, a 15,200-ton P & O liquefied petroleum gas tanker at Renburn. There was no ceremony.

BRIEF

Trading street
John Methven, director of Fair Trading, urged traders in the London's Oxford Street yesterday to set an example of high service to other shopping areas. He told the Oxford Street Association's annual lunch at Oxford Street gave a lead, was "highly likely that other areas" would follow.

Tourists for all
The tourist's campaign to lead the load of tourists arrivals is evenly throughout the year now well under way. Sir Mark, chairman of the English Tourist Board, said in a letter to the Department of Trade was identifying areas which could be developed and would soon issue its findings.

Plan for liners
The merchant bank subsidiary of Grindlays Bank, has arranged a \$7m. loan to enable Ulster Lines to acquire additional vessels. Ulster Line's subsidiaries run liner services from the U.S. to the Mediterranean, the Far East, Mexico and Europe.

Ingot plant
The British Steel Corporation yesterday opened a new \$2m. melting shop at the River Don works in Sheffield capable of producing steel for ingots of up to 210 tonnes. Six furnaces were previously required for the operation.

EEC panel plan
The European Federation of Financial Analysts Societies is proposing a controlling European body on takeovers and mergers in its submission to the EEC Commission which is preparing a draft directive on the subject.

WHY 600 INTERNATIONAL COMPANIES* CHOSE IRELAND FOR THEIR EUROPEAN MANUFACTURING BASE.

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Paris: 45 rue Pierre Charron, 75008 Paris, France. Cologne: 5 Köln Marienburg 51.
Bayreuth: 13, Germany. Copenhagen: Nyropsgade 47, 1602 Copenhagen V, Denmark.

*Some of the 600 companies: Digital, Syntex, Gillette, Courtaulds, Asahi, Akzo, Snia Viscosa, Borg Warner, Plessey, Pfizer, Black and Decker etc. Full listing on request.

The 18-22 series.

Autocar called it *"bold and exciting."*

The Daily Telegraph called it *"excellent."*

The Daily Express called it *"superb."*

The Times called it *"most refreshing."*

Motor called it *"striking."*

The Sunday Express called it *"remarkable."*

Motoring News called it *"a tremendous advance."*

The Daily Mail called it *"a winner."*

The Observer called it *"a huge improvement."*

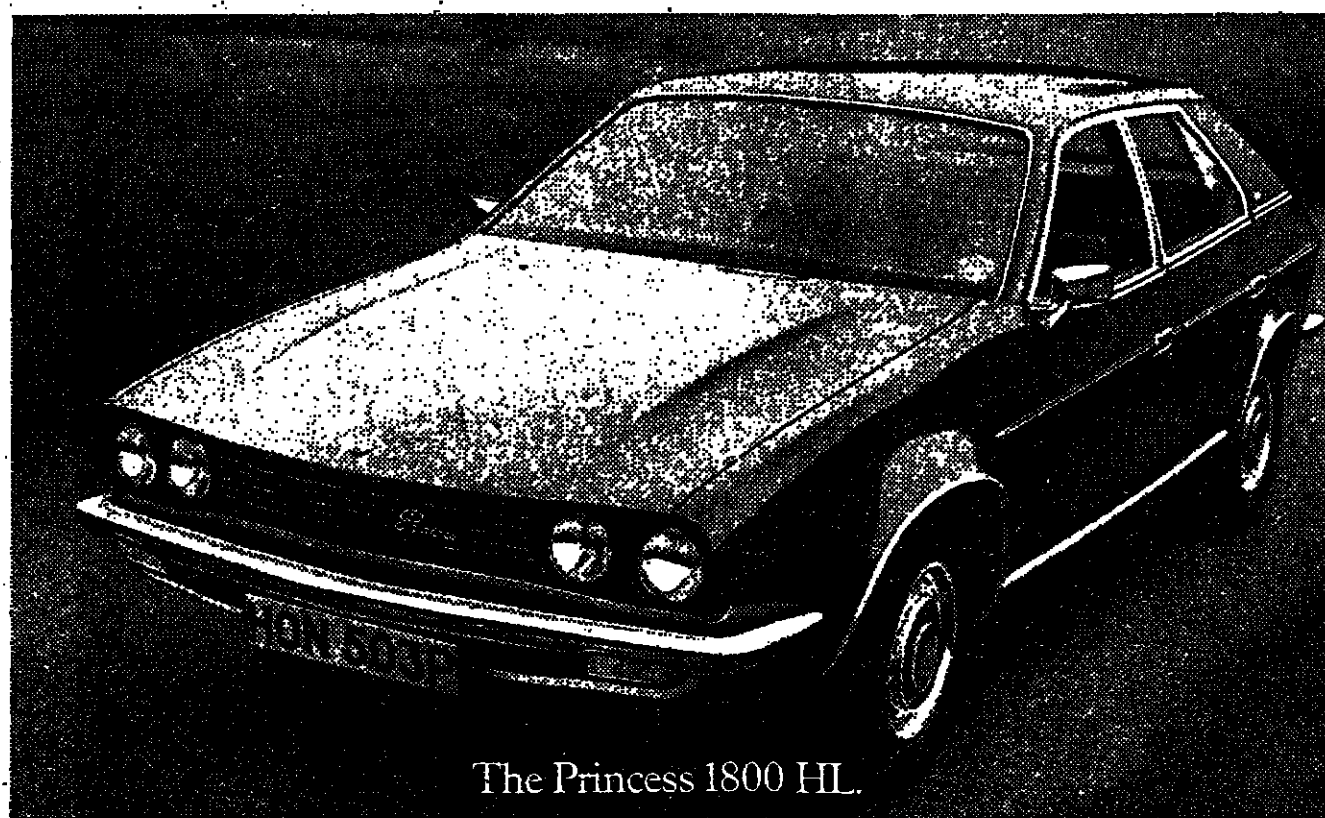
Autosport called it *"British Leyland's winner."*

Hot Car called it *"a thoroughly good car."*

Now we're calling it the Princess.



The Princess 1800.



The Princess 1800 HL.



The Princess 2200 HL.



The Princess 2200 HLS.

The Leyland 18-22 series has been launched to more acclaim, from press and public alike, than any new car since the Mini.

Every feature has won its share of praise. The styling, the economy, the performance, the effortless handling, the quiet ride, the space. Only one small thing was considered less than perfect. The name.

So to simplify matters, we're calling it the Princess.

There are four cars—the Princess 1800, the Princess 1800 HL, the Princess 2200 HL and the Princess 2200 HLS.

Prices, from £2237.04, include car tax and VAT. They also include seat belts and other extras which most of our competitors don't, but delivery and number plates are extra. So now if you want one of the most stylish,

luxurious and reliable cars on the road today, you should be in no doubt as to which to ask for.

Princess

The new name for the 18-22 series.
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LABOUR NEWS

Over-limit rises must be pruned, 3,000 told

BY ROY ROGERS, LABOUR CORRESPONDENT

STANDARD Telephones and Cables yesterday bowed to permanent pressure and told 3,000 workers at its Irish subsidiary that it had agreed to pay increases between £1 and £3 a week to bring them in line with the Government's pay scale.

Get-tough factory sends home 600

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

JUST 500 van assembly men at British Leyland's Wood Heath, Birmingham, were sent home for the first time since the start of the week yesterday by management in an attempt to move reflecting a significant toughening of its labour discipline.

Strike halts Leyland's Canley Triumph plant

BY OUR LABOUR CORRESPONDENT

PRODUCTION at British Leyland's Canley plant at Coventry was brought to a halt yesterday as a three-day strike by clerical workers began to take effect.

Race offences must be civil cases—Jenkins

RACIAL discrimination should be a "civil wrong" in the full sense of the word, Mr. Roy Jenkins, Home Secretary, said last night.

MITSUBISHI CORPORATION
(Incorporated in Japan)
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NOTICE OF ADJUSTMENT OF CONVERSION PRICE
PRICE IS HEREBY GIVEN to holders of the above-mentioned Debentures that, as a result of the free share distribution of common stock of the Company at the rate of one share for each twenty shares held on September 30, 1975 in Japan, the conversion price of said Debentures has been adjusted.

LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public.

For further details please ring
01-248 8000 Extn 459

Atomic fuel men may challenge pay policy

By Our Labour Reporter

BRITISH NUCLEAR Fuels' 5,000 manual workers will decide at mass meetings tomorrow whether to challenge the Government's anti-inflation policy because of a ruling that a pay deal earlier this year must be offset against the £6 limit.

For the last month union leaders have stuck to their demand for the full £6 in spite of the company's argument that under the pay policy £2.50 a week rises settled in June must be counted against the limit.

This intervention was backed up by Department of Employment officials at a meeting with union leaders on Friday and BNF workers now face either accepting the £3.40 a week or taking industrial action.

This is a direct problem for the Government because BNF is a subsidiary of the publicly-owned U.K. Atomic Energy Authority. In discussions at the DE and with the company, union leaders have argued that the full £6 rise should be paid because the £2.50 deal was settled in June well before the publication of the anti-inflation White Paper.

Bookmakers' vetting plan

LADBROKES RACING set up a "double vetting" system for job applications in Scotland this year to make sure that none of the 300 workers it dismissed from its betting shops after they went on strike were re-employed.

The system was disclosed yesterday by Ladbrokes' regional director, Mr. Alexander Farquhar, at the first of several industrial tribunal hearings arising from its dismissal. Six cases are due to be heard this week.

Mr. Ira Hill, senior shop steward, said he blamed other reasons for the situation, such as conveyor breakdowns and material shortages. An extended plant conference embracing other unions last week broke up without agreement.

National union officials are to be brought in in the final stages of proceedings in the hope of resolving the dispute.

Meanwhile, the men intend to stop at work for as long as possible, but expect the management to cut power supplies. British Leyland refused to comment.

Striking security guards yesterday locked out more than 800 workers at the Rover car box plant at Cardiff in a dispute over manning levels. All production was halted and only senior managers were allowed into the plant.

NEWS ANALYSIS—DOCTORS

Underpaid overtime

BY LORELIES OLSLAGER, LABOUR STAFF

WHEN THE Government's new counter-inflation strategy with its 16-a-week flat-rate pay limit was drawn up during the summer, few people thought the first major challenge would come from a middle class, professional group such as doctors.

Yet over the last fortnight the country's 15,000 junior hospital doctors have threatened industrial action—stopping short only of an all-out strike—in support of their demand for better overtime pay, something the Government has told them cannot be reconciled with the "rough justice" of the pay policy.

At the root of it all is a promise that the Government made to the junior doctors last year that they would be offered a new contract which would do away with the more glaring anomalies of the present system.

Under this system, junior doctors are paid for a basic 80-hour week and receive overtime allowances for any "unit" of time worked in excess.

Last month, the independent review body on doctors' and dentists' pay recommended that doctors should be paid overtime for any four-hour unit worked in excess of 44 hours, while their basic pay would remain the same.

The effect is that about half the junior doctors would see their earnings rise, while about one-third—ironically those who work the longest hours—stand to earn less.

The argument is centering on these overtime payments and is tending to obscure the fact that a doctor's basic rates are not ungenerous—at least for young doctors just out of medical school.

After the average 30 per cent pay increase granted to the medical profession last April, the most junior of the juniors—a house officer—gets between £2,859 and £3,294 a year. The most senior—a senior registrar—in his middle thirties—earns between £4,518 and £5,278.

At present, junior doctors receive a flat rate payment ranging from £9.25 for a house officer to £17.70 for a senior registrar for any day, afternoon or night they work in excess of 80 hours.

Under the proposed new contract, overtime would be paid at 30 per cent of basic pay for every four hours spent in hospital working or on stand-by duty, and at 10 per cent of basic pay for being on call at home.

Because of the new pay policy, the Government is insisting that the total pay roll for junior doctors must not be increased until their next pay review in April. The review body, therefore, felt that it had no choice but to recommend a system under which the £22m now spent on overtime should be redistributed among the junior doctors.

It was this arrangement which started the revolt of the juniors after their negotiators' initial hard

"reluctant acceptance" of the new deal.

They say that Mrs. Barbara Castle, Secretary of State for Health and Social Services, has gone back on several commitments, including one that no junior doctor would suffer as a result of the new contract.

But the argument over "no detriment" is now in danger of being overtaken by demands for a better rate of overtime payment altogether. Some of the extreme demands now being

reward of good earnings in later life.

If a junior doctor decides to leave the National Health Service and become a GP, which he can do any time after he has been a senior house officer, he can expect to reach an average income of £8,500 a year by the time he is in his mid-thirties.

If he decides to stay in the NHS, he can expect to become a consultant in his later thirties, with salary scales ranging from £7,536 to £10,689 a year. In addition, about 5,000 of the 11,000 full-time consultants get distinction awards which bring their pay up to between £12,714 and £13,378 a year.

Many of the junior doctors claim that the prospect of good earnings in later life is now in danger from Government policies and that this is one reason why they are so militant.

There are other elements which make it virtually impossible to compare the doctors' situation with that of other workers in the health service.

For example, the 80 hours which doctors work for their basic pay includes periods spent purely on call or stand-by for emergencies. While the system accounts for many broken nights and week-ends, it is not strictly comparable to the rate of pay of a nurse—a nurse on stand-by call gets a flat £2 for 24 hours and overtime pay only for the period that she actually works.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

PROCESSES

Vibrates and separates the solids

MATERIALS used by the minerals processing industries usually have to be passed through a screening and separating process of one kind or another and there are many types of equipment on the market to carry this out.

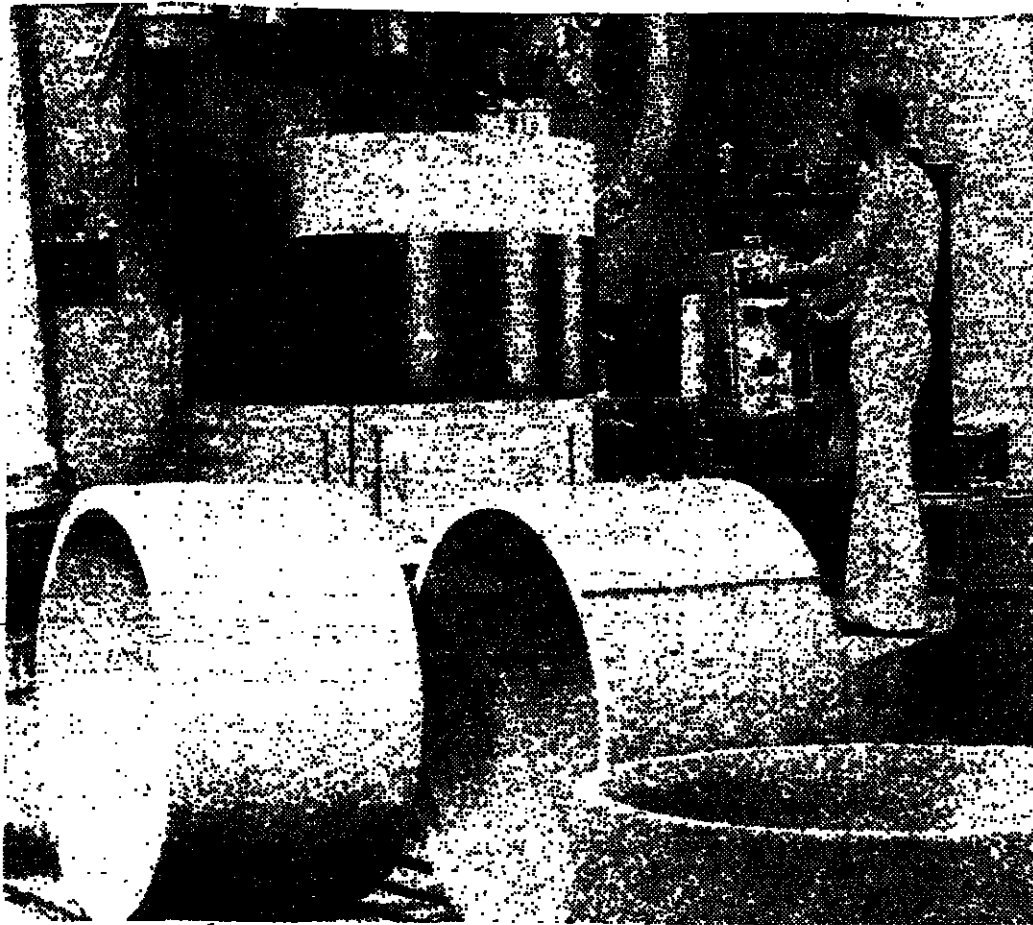
A newcomer is the Rapline DSM screen devised by E. E. Cockerill and Co. of Aunsby near Stamford, Lincs. (Culverthorpe 2197).

This machine has a pneumatic rapping device which periodically taps the underside of the screen surface and is suitable for fine screening of large tonnages down to 325 mesh and for making separations of oversize solids from streams of liquid.

Slurry flows through the feed inlet at the top of the machine's feed box and flows tangentially down the upper surface of the screen.

The slurry follows the concave surface at right angles to the openings between the wedge bars with the underside fraction and most of the liquid passing through the apertures and discharging as underflow. De-watered oversize material slides on top of the screen surface and is discharged.

Wedge bars act as a knife on the underside of the passing slurry. Layers of liquid and solid particles strike the sharp edges of the wedge bars and are sliced off and directed downward through slots into the screen box. This slicing action sorts the undersize particles at a smaller dimension than the slots themselves.



Being machined at the High Wycombe works of Baliko is this plastic micro-shaft bearing for a supercharger. It is 800 mm. inside diameter x 1,600 mm. long. The material, a reinforced thermoset developed by the company, is used in a filament-winding technique stated to be capable of the economical production of oil-lubricated bearing bushes up to 1,500 mm. inside diameter. Intended to replace white metal on merchant vessels ranging from 2,250 to 540,000 dwt., there are several advantages claimed for these bearings. They are 17 times more elastic, allowing greater acceptance of edge loading from shaft misalignment or deflection (main

cause of bearing failure). In emergencies such as aft seal failure the bearing will operate safely with sea water lubrication for several weeks under full power—it also retains lubricant within its porous matrix. Other features include load carrying capacity, resistance to compressive creep and fatigue, and a weight saving of 4/5ths compared with bearing metals. There are some 70 vessels, mainly large, for which these have been specified or fitted—of those in use none have required replacement. The company, which is a member of the BBA Group, will be showing one of the bearings at the European Maritime Exhibition, Amsterdam, November 11-15. More information from 062-85 22351.

Calibrates at high temperature

THERMAL SENSORS can be calibrated between 100 and 600 degrees C. using the FB-07 high-stability fluidised bath put on the market by Techne (Cambridge) of Duxford, Cambridgeshire (Sawston 3401).

A zoned fluidisation system is used to ensure high particle mobility and inclined heating elements give good temperature uniformity throughout the bath. Temperature control is by a

three-term solid state proportional controller using a Chromel/Alumel sensor. The controller has zero-voltage switching which virtually eliminates mains-borne radio frequency interference.

The bath maintains a 0.2 degree C. stability, and by using the "dead bed" of solid insulating medium resulting when the air-flow is cut off, a short-term stability of 0.01 degree C. can be obtained.

With an integral fail-safe system, effective dust extractor and measuring 630 x 450 x 630 mm., the FB-07 can be operated on any laboratory bench, giving heat transfer rates approaching those of oil or salt baths but without the inherent dangers.

Diamond to cut shaped carbides

COMBINATION of craft skills and precision-formed natural diamond tool tips enable Kennametal, of Brierley Hill, Staffordshire, to create intricate shapes economically in tough, abrasive "green" carbide.

Typical of the high-precision products manufactured by the company using craft methods is a die made in K94 grade carbide for the metal can industry. The rectangular slug which forms the basis of the die is first sliced to

approximate size and then ground with a wheel electroplated with 370/325 U.S. mesh De Beers SND-MB natural diamond to provide a blank with the required accuracy and finish.

The ground blank is then clamped to a vertical-spindle mill on which the craftsman carves out the required shape by the diamond milling technique. The machine's single-point diamond tool manufactured from a De Beers octahedron natural diamond of up to 1-carat in weight, rotates at 3,000 rpm and cuts with short forward and backward traversing passes manually controlled by the craftsman.

Further details on this application of diamond from IDIB, Ascot (0990) 23486.

DATA PROCESSING

Nova uses in-house circuits

FURTHER minicomputers have been introduced by Data General that extend the company's product pricing well below the Nova 2/4 while approaching the performance of the larger Nova 8/16.

Nova 3 machines have MOS semiconductor main memory that—in a novel departure—uses 4k NMOS random access memory (RAM) designed and manufactured by the company at its Sunnyvale, California plant. However, an alternative memory board is to be made available using MOS parts supplied by Texas Instruments. According to Data General, this is the first time that a "small" computer company has extended vertical integration down to the level of complex MOS devices.

Reasons for the in-house IC move includes, it is understood, assurance of supply continuity and the ability to obtain precisely the product desired.

It is an interesting inverse of the position now taken by some semiconductor manufacturers who have decided to move the other way and make micro and minicomputers.

Nova 3 is intended for the original equipment manufac-

turer, particularly in the fields of industrial machinery, process control, medical equipment and communications systems, but will also be supplied to turnkey software house, and systems houses.

The machines are available with core memory in 8k and 16k word increments, or MOS semiconductor memory in 4, 8 or 16k word increments. They are compatible with Nova-line software and the company's existing peripherals and are supported by its real-time operating system (RTOS) and real-time database system (RDOS) along with high level programming languages.

Nova 3 will compete, states Data General, with computers like the Hewlett Packard 21MX, DEC's PDP 11/03, 11/04, 11/23 and the IBM 1961. Memory cycle speeds are 700 ns for MOS, 800 ns for 8k word core and 1600 ns for 16k word core. The two types can be mixed in any combination in a single computer.

Prices range from £1,560 with 4k word MOS and 16k word core, to £20,520 for 128k word MOS and 16k word core. Prices of mixed memory and console, and write-on console, are provided to allow for colour or numerical coding.

Typewriter magnetic media

IBM-COMPATIBLE magnetic cards and tape cartridges for use with word processing applications are the latest products offered by IBM's data recording group. Prices are up to 30 per cent cheaper than those charged by IBM.

Scotch MC/ST 530 magnetic cards and holders are designed specifically for use with IBM magnetic card typewriters and word processing systems. Each attractively designed mauve-coloured slip-top box contains 25 cards and

holders. Fifty recording tracks are provided per card, each of which is capable of storing 5,000 characters (approximately two typewritten pages). The reverse sides of the cards carry an anti-static coating to reduce dust attraction and write-on corners are provided to allow for colour or numerical coding.

Scotch MT/ST 221 magnetic tape cartridges are for use with IBM's MT/ST typewriter and MT/SC composer. The 100 foot length tape records up to 24,000 characters (approximately ten typewritten pages) and removable write-on labels are supplied.

Both products carry unconditional warranties against manufacturing defects. IBM U.K., 300 Harrow Road, London, W9 3HU. (01-286 6044).

Gives stock information on demand

A NEW company called Electronic Stock Control Systems has been formed to market in the U.K. the "DM" series of stock information and management systems made by Omron Tateisi Electronics of Tokyo.

Most comprehensive of the models is the DM 300 which can deal with up to 6,400 stock items, each identified by an eight digit item code number. The machine immediately processes stock transactions (via sales digits or group of digits can have whatever meaning suits the

user's operation. Type, size, colour, location in store, supplier and many others can be accommodated within the eight digits, and the operator can ask for a stock status and transaction report, mostly in a matter of a few seconds and at the touch of a few keys.

The unit measures 550 x 700 x 880 mm. and weighs 75 kg. The operator's table top section, which roughly typewriter shaped, has groups of keys for numerical input, functions, clearance, data of section, and format. Two eight-digit displays show item code, and data, respectively. The integral printer gives three lines/sec. on 80 mm. paper.

Stock item numbers can be allocated without reference to any sequence so that single digits or group of digits can have whatever meaning suits the

user's operation. Type, size, colour, location in store, supplier and many others can be accommodated within the eight digits, and the operator can ask for a stock status and transaction report, mostly in a matter of a few seconds and at the touch of a few keys.

The DM 300 costs about £9,000, but less complex models are available down to £2,500. The machines can be leased, a typical figure at mid-range being about £25/week on a five-year contract. More from the company at Promenade Chambers, Edgwarebury Lane, Middlesex. (01-858 3926).

INSTRUMENTS

Checks on coatings

INSTRUMENTS for measuring coating thickness on ferrous or non-ferrous substrate, and others for gauging the roughness of a surface have been announced by Elcometer Instruments, Edge Lane, Droylsden, Manchester M35 6PU (0661 370 781).

Miniretor model 180 is a spring lead probe plus indicator

system available in three versions for ferrous substrates, non-ferrous or for dealing with both. The contact probe incorporates electromagnetic and eddy current sensing coils operated at high or low frequency for ferrous and non-ferrous substrates respectively.

Readings are on a 90 mm scale-length meter and there are 14 scale options covering, coating thickness up to 1.5 mm. Accuracy of ± 0.5 per cent of reading is claimed.

An optional facility allows the probe to be removed from the surface while the reading is maintained on the meter. The last reading is always held, making repetitive measurements easier.

The probe is 61 mm. long by 13.6 mm. diameter while the contact measures 195 x 104 x 48 mm. and weighs 630 gms.

The other instrument, called

"Roughector," is a hand-held microscope in which a 7 mm long, extremely narrow and intense line of light is projected at 45 deg to the surface. Light is reflected according to the surface profile along the line, and the resulting peak and valley representation is magnified some 50 times and displayed on a ground glass screen. A measuring graticule can be optically superimposed, providing 100-0.100 microns calibration in 25 microns steps.

A major application, states the company, is in assessing the surface roughness of steelwork before painting. Acceptable limits are usually taken to be 0.01 to 0.1 mm. Rougher surfaces consume excessive amounts of paint or other protective coating while smoother ones provide poor adhesion. The instrument measures 285 x 127 x 120 mm and weighs 2.3 kg.

COMPONENTS

Improved moulding methods

TECHNIQUES permitting the production of tiny plastic components to extremely high tolerances and with complete elimination of flash problems have been developed by A. T. Harrison of Newton Abbot (Stadium Group).

An extreme example of the work possible with the techniques and tooling is a series of containers made in diallyl-phthalate, the largest of which measured only 7.62 x 5.78 x 3.26 mm and the smallest about

half that. The wall thickness was only 0.25 mm and nickel steel was used for the mould tool material.

The process has been automated whereas in the U.S. similar work is being done by manual methods.

The same company has introduced the use of submarine gates in the manufacturing of thermosetting components eliminating a great deal of the unusable runners and sprues associated with conventional thermoset handling. Faster curing and overall cycle times are also claimed and one user has been able to cut costs by as much as 15 per cent.

Stadium is at Queensway, Enfield, Middlesex EN4 3SD. (01-804 6343).

ELECTRONICS

Tells two times

AN ELECTRONIC watch circuit that will give the time applicable to two time zones has been developed by National Semi-

conductor. Suitable for the development of a traveller's digital watch, the MM5880 is a six function device providing all the signals needed to drive a four-digit LED display for hours, minutes, seconds and month with date under control of a single push button.

A second push-button would

control the display of hours, minutes and seconds in a different time zone, thus enabling travellers to keep track of "home" time while abroad.

Versions are available for the U.S. or European style of month/date presentation and either can be connected to display 12 or 24 hour clocks.

Outputs interface with standard bipolar segment driver and digit driver circuits, and operation is from any dc source of 2.4 to 4.0 volts. Circuit chips are supplied in suitable form for hybrid assembly into watch modules. More from the company at 19 Goldington Road, Bedford MK40 1A. A second push-button would

LAIN

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BUILDING
& CIVIL
ENGINEERING

PRODUCTS

Sweeping challenge to imports

ALL BRITISH industrial—the Challenger—with improvements over in machines is launched by S. Machines, "Ashfield," 17 Road, Crowthorne, Northampton SNX.

Suitable for both interior and exterior work, and a big advance in dust control, waste removal, it is fitted with dust filter over twice as fast as the machine, the tightest corners.

Full shift (eight hours) work is possible with one battery. But two battery sizes are available normal operation. The machine is also offered powered by duty 64 h.p. gas or petrol. Broadley is on Crowthorne 1241 470.

SOFTWARE

Converting Philips


DIFFICULT and complex software conversion tract awarded to Data Logic by Philips Industries calls for massive conversion of IC software to run on IBM and other machines or generation.

The IBM already exists the organisation and the move seen as consolidating a single manufacturer, the £1m. conversion cost is price to pay for uniformity.

There will be full-time for 20 senior staff at Bats for many months and a phase is completed, it is subject to acceptance by Philips.

Data Logic has developed a number of software aids in basic character string, macros and the software is enough to allow it to equally to languages similar in syntax as COBOL FORTRAN.

The company has been with conversion problems since 1967 and has taken the on in competition with two software houses specialising in conversion work. Data Logic, Westway 320 Ruslip Road East, Middx. (01-878 9111).



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Republic National Bank of New York

Consolidated Statement of Condition

SEPTEMBER 30.

ASSETS	1975	1974
Cash and due from banks	\$ 89,142,599	\$ 79,421,524
Interest bearing deposits with banks	217,279,827	132,213,011
Precious metals	22,786,189	4,101,666
Investment securities:		
U.S. Government obligations	29,687,200	9,310,629
Obligations of U.S. Government agencies	56,782,624	63,896,102
Obligations of states and political subdivisions	127,630,585	127,350,606
Other	26,998,485	31,313,530
Total investment securities	241,098,894	231,870,867
Federal funds sold	80,000,000	105,000,000
Loans	650,643,025	454,444,587
Customers' liability under acceptances	53,849,970	53,402,628
Bank premises and equipment	13,539,069	13,193,513
Accrued interest receivable	22,904,840	16,827,309
Other assets	48,245,974	27,237,190
	<u>\$1,439,490,387</u>	<u>\$1,117,712,295</u>
LIABILITIES AND CAPITAL		
Deposits	\$1,161,700,548	\$ 903,199,164
Federal funds purchased		
Other liabilities for borrowed money	1,520,914	6,986,252
Acceptances outstanding	54,722,606	54,200,209
Mortgages payable	2,629,803	2,722,887
Accrued interest payable	45,839,874	29,131,500
Other liabilities	26,062,069	12,587,902
Unearned income	13,014,954	8,205,850
Allowance for possible loan losses	9,798,751	8,140,269
CAPITAL FUNDS		
Capital notes	808,000	808,000
Stockholders' equity:		
Capital stock	21,482,080	21,482,080
Surplus	44,252,511	22,070,365
Surplus representing convertible capital note obligation assumed by parent corporation	13,402,000	14,980,000
Undivided profits	44,258,477	33,197,817
Total stockholders' equity	123,393,068	91,730,262
Total capital funds	<u>124,201,068</u>	<u>92,538,262</u>
	<u>\$1,439,490,387</u>	<u>\$1,117,712,295</u>
Letters of credit outstanding	\$ 42,227,444	\$ 37,698,069

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Member Federal Reserve System/Member Federal Deposit Insurance Corporation
New York • London • Nassau
(19 offices in Manhattan, Brooklyn, Queens, & Suffolk County)
An affiliate of TRADE DEVELOPMENT BANK HOLDING S.A. Luxembourg
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Total Assets U.S. \$2,386,018,000
(At June 30, 1975)

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هكذا من الأصل

The main growth-factor in industrial exports has been the upsurge of new industry under the Governments programme of tax relief and incentives. Both Irish and foreign-owned firms are active in sectors such as engineering and metals, chemicals and pharmaceuticals from which the bulk of export expansion has come. Export 1974

GET THE GOOD NEWS FROM THE REPUBLIC OF IRELAND

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CITY OF BRISTOL
ISSUE OF
£15,000,000 CITY OF BRISTOL
per cent. Redeemable Stock, 1981
 The Council of the City of Bristol is pleased to announce that the Local Government Securities 1975-81 have been issued to the Council of the City of Bristol for the sum of £15,000,000.

Rate of Issue £99½ per cent.

PAYABLE AS FOLLOWS:

Interest on the £15,000,000 Stock will be payable half-yearly on the 1st March and 1st September 1976, and on the 1st March and 1st September 1977, and on the 1st March and 1st September 1978, and on the 1st March and 1st September 1979, and on the 1st March and 1st September 1980, and on the 1st March and 1st September 1981.

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Unit trust sales recover to £23m. in September

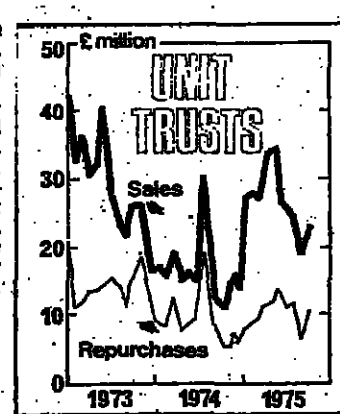
BY CHRISTOPHER HILL

UNIT TRUST sales recovered in September to a gross £23.01m. compared with £18.77m. in August.

Sellers also recovered after the traditionally flat August and repurchases increased by £3.75m. to £10.17m. This left the net new investment figure for September marginally higher at £12.84m. compared with £12.34m. for August and roughly the same for July. The peak for net new investment was £21.9m. in April.

Stable market

The improved level of gross sales reflects what the major unit trust groups have been saying recently about the level of sales (income funds and those with an overseas orientation have been doing well) and it is also likely that the more stable condition of the market helped. The FT all share index showed a slight increase during the month. There was one initial offer in September from the Key Energy and Industrial Fund but this would not have made much difference to the figures. There were two initial offers in August.



£243.52m. against £151.25m. for the same period in 1974 and £289.17m. in 1973. Repurchases so far this year are £93.74m.—not much more than the £90.12m. for the first nine months of 1974 and well below the £126.26m. in 1973.

This leaves the cumulative net figure so far at £149.78m.—more than twice the comparable figure of £61.13m. for 1974 and not far off the £162.91m. achieved in 1973.

Monthly average

The monthly averages also look much better and although the September gross sales figure is below the monthly average of £27m. for the first nine months, it is considerably better than the average for the corresponding period last year—£16.8m. The repurchase averages are more comparable, around the £10m. mark. The total value of funds has improved to £2.28bn. compared with £2.22bn. for August and only £1.37bn. in September, 1974.

'Governments betrayed savers' says Scots actuaries president

BY ERIC SHORT

PEOPLE WHO responded to exhortations of past Governments to save had been rewarded with a despicable betrayal, Mr. Maxwell Thornton said in his presidential address last night to the Faculty of Actuaries in Edinburgh.

Inflation, which Governments permitted to go unchecked, caused the real value of National Savings entrusted to them by the public to fall by billions of pounds. The intentions of Governments had been good, but the results were equivalent to large-scale embezzlement.

Mr. Thornton said measures by Governments to avoid at all costs large-scale unemployment were like taking drugs in increasing doses to avoid pain. Inflation

was the opium of the people. The choice for the nation was to accept economic paralysis by continuing inflation or endure the appalling economic agonies of withdrawal pains as inflation was reduced and finally stopped.

He praised the present Government for the measures being taken at the eleventh hour. This required great political courage, but greater courage and total honesty with the people would be needed in the next phase when it came to grips with reducing and eliminating inflation.

Pay cuts

The stand taken next year must not involve freezing present pay structures, but reducing wages and salaries unless production

was increased. Nothing less than such drastic action would end inflation.

Referring to the financial difficulties experienced by some newly formed life companies last year, Mr. Thornton said the principle of caveat emptor—buyer beware—no longer seemed to apply to selling life assurance. Consumer protection was now the principle.

The sense of outrage over policyholder protection, he suggested, had no company. He allowed to use the words "Life" or "Assurance" in its name unless at least 90 per cent. of all profits went to the policyholders. He wanted the public to be able to distinguish clearly by the company name whether it was primarily in finance and investment or life assurance.

APPOINTMENTS

Mr. J. R. Cater is deputy chairman of Distillers

Mr. J. R. Cater has been appointed deputy chairman of THE DISTILLERS COMPANY. Aged 56, he has been a director of the company since 1967 and a member of its management committee since 1970.



Mr. J. R. Cater

Mr. E. J. Hasfield has resigned from the Board of BEYER, PEACOCK AND CO. and of its subsidiary, RICHARD GARRETT ENGINEERING.

Mr. Ian A. Thompson has been appointed sales director of E. NICKERSON AND CO. of Manchester.

Mr. Keith Ames has been appointed London sales director of CARLISLE WEBB, one of the Osley Printing Group's main subsidiaries.

Mr. P. Foreman has become financial director of the CHARNOS GROUP OF COMPANIES and has been appointed to the main Board.

Mr. Peter Desbottes has been appointed chief dealer of TOZER STANDARD AND CHARTERED, the merchant bank jointly owned by Standard Chartered Bank and TCM.

Mr. G. R. Turner, an assistant general manager of LLOYDS BANK, has been appointed joint general manager responsible for banking business in the bank's Midlands area. He succeeds Mr. J. A. D. Freeman, who is retiring on January 31 after 45 years' service with the bank.

J. E. BEALE, the Bournemouth department store group, has made the following changes in Board members: Mr. Beale, who has been director since 1971, is resigning. Mr. Nigel Beale becomes director of trading. Mr. Ronald Beale, director of services, Mr. Anthony Beale, director of buying. Mr. Norman Beale remains chairman with special responsibility for development and expansion, and the responsibilities of Mr. Frank Beale as director of personnel and Mr. Keith Priestley as director of finance and company secretary are unchanged, while Mr. Robin Eve remains a non-executive director.

Mr. J. Shiancoe has been appointed a director of FRELEX INTERNATIONAL, the U.K.-based European purchasing and projects development company of the Mesurado Group of Companies, Liberia. Mr. Shiancoe is also general manager of Swiss African Trading Corporation, another company in the Mesurado Group. Mr. F. Ward has been appointed commercial director of Frelex International. He has just returned to the U.K. after nearly 20 years' trading in Africa, and was latterly vice-president-trading for the Mesurado Group in Monrovia.

Mr. Robert G. Repagan has been appointed general manager of the London branch of BANCO DE JERSEY S.A.

AL-BANK AL-SAUDI AL-ILAMI (Saudi International Bank) has appointed Mr. Ernest E. Angell manager, treasury division, Mr. John E. Day manager, finance and control division, and Mr. Pierre Gentile manager, general banking division. Mr. Angell was previously an assistant general manager of the United Dominions Trust, with responsibility for all international money operations. Mr. Day was

previously a manager in the administrative services division of Arthur Andersen and Co. in London. Mr. Gentileau has been seconded from the Banque Nationale de Paris.

Five new directors have been appointed to the Board of BANKERS TRUST INTERNATIONAL, the merchant bank subsidiary of Bankers Trust Company, New York. They are Mr. Richard J. Bentley, general manager of Bankers Trust AG, Switzerland; Dr. Eckhard Gotschalk, general manager, Deutsche Unionbank GmbH, Germany; Mr. David M. Soare, chairman of Ord-SYCO, of Australia; Mr. Jo Holvoet, managing director of Banque du Benelux, Belgium; and Mr. Frederick E. Schwartz, vice-president, Bankers Trust Company, New York.

Mr. George M. Turner, former president of P & O Lines, North America, has become a principal in the newly-reorganised marketing counsel and service company, BEVL BOYD AND TURNER INCORPORATED.

Mr. Kurt Fazzander has been appointed divisional director of the ASSI (AB STATTENS SKOGS-INDUSTRIER) sheet materials division as from January 1 next.

Leyland Special Products reports that Mr. Frederick Clem has been appointed managing director of MARSHALL-FOWLER (1975), the British Leyland subsidiary recently acquired from the Thos. W. Ward group (as Marshall-Fowler). Mr. Clem, who is based at the Marshall-Fowler Britannia Works in Gainsborough, Lincs., has held several senior management positions in British Leyland since he joined Scammell Lorries as managing director in 1967.

Mr. Peter Graham Wreford has joined the Board of R. GREEN PROPERTIES. He is chairman of Gresham Trust and a director of a number of other companies.

Mr. Kenneth Hearnshaw, former chairman of HENRY WIGFALL AND SON is to remain on the Board as a non-executive deputy chairman. Mr. Frank Wreford has been appointed chairman, and Mr. Richard Morrell, group managing director. Mr. Anthony Dicks assumes specific responsibilities as commercial director.

OFFICE AND ELECTRONIC MACHINES LIMITED

Distributors for the United Kingdom of Adler and Imperial Typewriters, Calculators, Copiers and other office machinery.

Interim Statement for Half-Year to 30th June 1975

	6 months to 30.6.75	6 months to 30.6.74	Year 1974	Dividend. An interim dividend of 1.05p per share on 6,124,578 25p Ordinary Shares has been declared, payable on 6th January 1976 (0.98p per share on 6,000,000 25p Ordinary Shares for 1974).
Profit before taxation	709,578	653,761	1,186,779	
Taxation	388,178	345,365	591,355	
Profit after taxation	321,400	313,396	595,424	
Earnings per 25p Ord. Share	5.25p	5.12p	9.72p	

EXTRACTS FROM THE CHAIRMAN'S STATEMENT

As forecast in the 1974 accounts, the additional turnover arising from our new subsidiary Imperial Business Equipment Limited, has been sufficient to cover the expected increase in overheads, with the result that the net profit before tax has risen from £658,761 to £709,578.

Coupled with strong liquidity, this is sufficient justification for increasing the interim dividend in the expectation that we shall be able to pay the maximum allowable on the total distribution for the year. We therefore remain confident of the continued success of the Group.

ADLER

Office and Electronic Machines Limited, 140-154 Borough High Street, London, SE1 1UH.

OEM

These Securities are not being offered to the public.

NEW ISSUE

October 21, 1975

\$20,500,000

Auburn Industrial Development Authority

Auburn Steel Company, Inc. Project

\$18,600,000 9½% Series A Bonds due 20 years

\$ 1,000,000 8½% Series B Bonds due 20 years

\$ 900,000 8½% Series C Bonds due 10 years

Auburn Steel Company, Inc. (a joint venture owned by Ataka & Co., Ltd., Kyof Steel Works, Ltd. and Ataka America, Inc.) financed a major portion of its cost to construct a mini-steel mill in Auburn, New York through the placement of the above securities. The Sumitomo Bank, Limited and the Kyowa Bank, Limited guaranteed certain obligations under the terms of the transaction.

The private placement of the above securities with United States institutional investors was accomplished with the assistance of the undersigned.

Merrill Lynch, Pierce, Fenner & Smith

Incorporated



The day we turned a pipedream into a pipeline

As you read this, one of the most exciting petroleum engineering projects ever undertaken is reaching completion. The project is a pipeline. The terminal location is Teesside. And the end result is oil—oil piped direct from the North Sea.

The whole operation took shape as the result of an oil strike in late 1969. Then, realising the long term possibilities of such a strike, the Phillips Norway Group put forward a daring plan to run a pipeline from its Ekofisk field over 200 miles out in the North Sea to a reception terminal at Teesside.

Six years later, the longest oil pipeline in the North Sea and the biggest terminal of its type in Europe—at a cost of £120 million—are nearly complete.

But behind that simple statement go examples of pioneering technology, determination and a sheer weight of statistics which may never be equalled.

To work on the field, for example, we bought and installed the world's two largest compressors. At the time of laying, over half the world's entire pipe-laying



Challenge to Foot on ferry picketing

THE LEGALITY of picketing which has prevented passengers' cars leaving the P and O ferry "Eagle" at Southampton yesterday was challenged by Mr. Terence Higgins, Opposition trade spokesman, in the Commons yesterday.

But the Employment Secretary, Mr. Michael Foot, told him that any question of legal matters should be dealt with in the courts—not from the Dispatch Box in the Commons.

Mr. Higgins had said that, whatever the rights and wrongs of the dispute, it was intolerable that individuals who were not a party to the dispute, should be prevented from using their own property by trade unionists who specifically said it was their object to increase their bargaining counters. If such action was accepted, then whose property would be safe?

He called on Mr. Foot to confirm that the blocking of free movement of goods could not be regarded as legitimate picketing.

There were shouts of "why not?" and "Disgraceful" when Mr. Foot refused to comment on these points.

Mr. Richard Mitchell (Lab., Southampton) then said this was yet another example of decisions being made behind closed doors in Board rooms without any prior consultation with the men whose livelihoods were involved. This showed the urgent need for industrial democracy in this country.

Mr. Foot said that he understood that the crew of the ferry had been informed in the course of a return voyage, that the ship had been sold.

After docking on Friday, the crew had sought to prevent passengers' cars leaving the ship while talks took place between representatives of the P & O Company, the crew and the National Union of Seamen. He understood that the crew were seeking assurances about continuing employment and severance arrangements.

Mr. Foot said that the talks were continuing and he hoped they would lead to early agreement. He agreed with Mr. Bryan Gould (Lab., Southampton) that the Employment Protection Bill would help to avoid such problems in future, but said it would be unwise for him to make comments that could injure a settlement in this dispute.

PM refuses 'piecemeal' evidence on burglaries

THE PRIME MINISTER was pressed in the Commons yesterday to publish in Hansard information about the eight burglaries which he intended to include in his evidence to the Royal Commission on the Prevention of Crime. In a written reply, Mr. Wilson told Mr. Peter Blaker (C. Blackpool S): "It is not my intention to publish my evidence piecemeal." As he had explained earlier, all the burglaries had taken place before he had returned to office in March 1974, April 1974.

PRESS FREEDOM CONFLICT LOOMS

Peers back Goodman by big majority

BY JOHN HUNT

BY AN overwhelming majority of 111, the Lords last night threw out the Government's amendments inserted in the Freedom of the Press Bill, which is contained in the Trade Union and Labour Relations (Amendment) Bill.

Tory, Liberal, Independent and some Labour peers combined to defeat the Government by 188 votes to 77.

They then approved a new amendment put down by Lord Goodman, chairman of the Newspaper Publishers Association and an independent peer. This was passed by an even bigger majority—120 (188-68).

The dramatic vote came after an often impassioned debate. Although the verdict means that the Lords and Commons are now in direct conflict, speakers from all sides of the House disavowed any intention of causing a constitutional crisis.

The Government amendment which the peers threw out had laid down that the proposed charter—which has to be agreed by the industry within 12 months—should include matters such as the application of union membership to journalists and, in particular, the right of editors to discharge their duties and to commission and publish any article.

It also says that the charter would deal with the question of access for contributors to the Press and the avoidance of improper pressure to distort or suppress news, comment or criticism.

The successful Goodman amendment which now replaces this gives far more specific guarantees.

It would mean the charter would include the right of journalists to be reasonably excluded or expelled from trade unions and to belong to the union of their choice. It would also guarantee the right of editors to discharge their duties free from any obligation to join a trade union.

The specific right of editors to commission and publish, or refuse to publish, any material, would also be specifically written into the charter.

In addition, there would be a more general section containing the right to suppress news, editorial discretion of access to the Press of all contributors at all times.

This latest Goodman amendment differs from his earlier version of the charter in that it would also include the avoidance of improper pressure to distort or suppress news, comment or criticism. In this respect, it takes in part of the Government amendment which was passed in the Commons.

The question of the legal enforceability of the charter was adjourned until a later date. Amendments, which the

Government passed in the Commons said that the charter should be enforceable in evidence and could be taken into account by a court or tribunal in reaching a decision. Lord Goodman is proposing an amendment which would extend this.

Under this, any rule or agreement which was contrary to the provisions of the charter should also be deemed to be contrary to public policy. The amendment also states that nothing in the charter shall be taken to restrict or abridge any right existing by statute or common law.

Lord Goodman said in the debate that he had heard it suggested that this amendment had "overtones" of anti-trade unionism. He commented: "No proposal emanating from me has any overtones, undertones, or tones of any sort, and I have had excellent relations with newspaper trade unionists over the last seven years."

He added: "There has been quite exceptional haste in bringing this matter from the Commons. Discussion on it ended in the early hours of last Thursday and no record was available to me until Saturday. We should not attempt to legislate of this kind without further consideration."

It would be very wrong to suggest that there is necessarily constant asperity and conflict between unions and management. What I am concerned with is something quite different. There have been further suggestions about my intentions. It is that my concern is not for newspaper proprietors or publishers, but concern, on my own behalf.

"I should like this House to know that I am concerned in behalf of a considerable number of journalists and a vast number of members of the public, both of whom incidentally have indicated their support for me."

"There is no reason why anyone should insist that as a matter of law an editor should be a member of a union. There is every reason why people should insist as a matter of law that he should not be a member."

From the Government Front bench, Lord Shepherd said the Government recognised the difficulties and apprehensions of those who saw problems connected with freedom of the Press because of the proposed legislation.

But Lord Houghton had come forward on his own initiative with the idea of a charter and the Government regarded this as a useful way of overcoming the problem.

Criticising Lord Goodman's proposals, Lord Shepherd said: "I do not see a constitutional crisis at this moment, and I hope the common sense of this House will see that Lord Goodman does not enjoy the historical record that he and his 'royal we' created a constitutional crisis."

Lord Shepherd stressed that the Government had always believed and still believed that "these issues" were a matter entirely for the industry. If the amendment were included in the Bill, Lord Shepherd maintained, both sides would be precluded from putting into the charter what they wanted.

Callaghan firm on U.K.'s separate seat

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

FOREIGN SECRETARY, Mr. James Callaghan, left MPs in little doubt yesterday of Britain's claim to a separate seat at the consumer-producer energy talks in Paris in December. He was explicit on what had been in confidential discussions on this matter between him and other EEC Foreign Ministers. Mr. Callaghan stressed the importance of the British view being properly represented. Anxious that U.K. interests in North Sea oil might clash with her other interests as a member of the Community, he said, he added: "No decisions are taken and no communiqué is issued."

Mr. Maudling suggested that the conflict of interests over North Sea oil presented a "very serious and difficult problem." The Opposition appreciated Mr. Callaghan's concern for British interests, but was anxious about his "quarter-deck" attitude in his

meetings with EEC colleagues over U.K. representation at the conference. But the Foreign Secretary was not to be drawn on what had passed at the informal meetings held in London over the weekend. "The value of these meetings is that the discussions are confidential and are an opportunity for the Foreign Ministers of the Community to have an exchange of views," he said, and added: "No decisions are taken and no communiqué is issued."

Mr. Maudling suggested that the conflict of interests over North Sea oil presented a "very serious and difficult problem." The Opposition appreciated Mr. Callaghan's concern for British interests, but was anxious about his "quarter-deck" attitude in his

The Foreign Secretary urged MPs not to accept the "lurid colours" with which these matters were painted in the Press. He had explained the position to the EEC Ministers, he said, and asked the House not to press for details. From the Labour benches, former Minister, Mr. Eric Heffer, said that Mr. Callaghan would receive full and widespread support at the Labour side if he continued to put British interests top of the list of priorities. Pressed further, Mr. Callaghan said that three other subjects, raw materials, development and financial matters, had been added to the proposed energy conference agenda. There was a British view on all these matters

which should be represented, he reiterated. From the Tory backbenches, Mr. Julian Amery said that while acknowledging the difference of interests between consumers and producers, British interests should be preserved by having a key position on a European delegation. Mr. Callaghan: "I am trying to establish that British interests are properly represented." He went on to tell Liberal leader Mr. Jeremy Thorpe that there would continue to be exchanges between EEC Foreign Ministers—if the others wanted to discuss the issue. Pressed for further assurances, the Foreign Secretary said: "The only extent to which the Community can

come into this question is by agreement of U.K. Government. It will be the U.K. Government to where and how it is best served." "Worm support Callaghan's stance Mr. Peter Tapsell said. He and supporters of the said, had assured, tenants that Britain retain full control. In the course of exchanges, Mr. Callaghan underlined the importance of the British as an energy producer. "By 1980, Britain producing 45 per cent of coal, oil and gas," he told M

'The death of an idealist'

BY PHILIP RAWSTORNE

THE DEATH of an idealist—that was Mr. John Stonehouse's dramatic description yesterday of the events that led to his disappearance last year.

In a personal statement, delivered to an embarrassed and largely uncomprehending Commons, Mr. Stonehouse claimed that the stress of his collapsing political ideals had led him to "psychiatric suicide."

He had suffered a complete mental breakdown in which a new personality had replaced the sham and bombast of his previous existence.

The Labour MP for Walsall North had waited for an hour to explain his "extraordinary and bizarre conduct" to MPs.

Squeezed into a seat on the Opposition benches—a place which he later explained he had occupied for most of his Commons career—he listened, now with chin on hand, now with arms folded, to Government statements by Mr. Harold Wilson and Mr. James Callaghan.

In the gallery, Mr. Stonehouse's daughter and his former secretary, Mrs. Sheila Buckley, looked down on the unprecedented scene.

Mr. Selwyn Lloyd, the Speaker, calling Mr. Stonehouse at last to speak, warned MPs that they should listen in silence. Mr. Lloyd said the decision to allow him to speak had not been easy and he added that future Speakers might be grateful for new Orders on such issues.

The Commons settled quietly. But within moments, Mr. Stonehouse was interrupted by the Speaker himself. "You are only allowed to say things passed by me," he warned sternly.

Mr. Stonehouse began again—and again the Speaker intervened: "You are not reading from the text agreed by me." I have made a few textual changes," Mr. Stonehouse replied, "and a murmur of protest."

Hands trembling slightly, Mr. Stonehouse read from his papers a denial of the "incredible allegations" that he



Mr. John Stonehouse yesterday's picture

had worked for the CIA and spied for the Czechs.

I suffered a complete mental breakdown—psychiatric suicide. It took the form of a repudiation of the life of Stonehouse because it had become intolerable to me. I assumed a new parallel personality that took over from me, which was foreign to me and which despised the humbug and sham of the past years of my public life," he said.

Referring to himself in the third person as though he had been an outside observer of events,

Protest over Russian trawlers

RUSSIAN SHIPS were fishing so close to British territorial waters that they took as much mackerel as they could, mainly for mackerel, for some six to eight weeks between 15 and 40 miles off the South West coast, Baroness Williams (C.) said in the Lords yesterday.

She had asked what action was being taken about fishing by a Russian fleet off the Devon and Cornwall coasts. The Minister of State, Indus-

try, Lord Beswick, said he understood that 25 to 35 Russian vessels had fished, mainly for mackerel, for some six to eight weeks between 15 and 40 miles off the South West coast, Baroness Williams (C.) said in the Lords yesterday.

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Industry Bill change will be reversed—Var

FINANCIAL TIMES REPORTER

CHANGES made in the Industry Bill by the Lords affecting the role of the National Enterprise Board will be reversed by the government in the Commons, Mr. Eric Varley, Secretary for Industry, assured MPs yesterday.

During question time exchanges, he maintained that the changes made in the Bill by the Lords would prevent the NEB participating in the profitable sector of British industry.

Mr. Varley promised Labour MPs that the matter would be "put right" tomorrow night when the Commons considers the Lords' amendments to the Bill.

"The aims of the NEB will be restored to what they were when the Bill was before this House," he added.

Mr. Hal Miller (C., Bromsgrove and Redditch) pressed for an assurance that none of the money made available to British Leyland would be used to acquire private component manufacturers in the West Midlands.

"This is already causing great anxiety," he said. Mr. Varley said that if Mr. Miller had specific projects in mind, he would inform about them the same time the Minister stated that he did not get involved in the affairs of British Leyland.

Commenting on meat of a receiver called the company, Mr. Miller said: "I am not sure that the Government has predicted the advent of the D Industry."

It was completed with assurances. Anthony Wedgwood was Secretary and an inquiry is pointed to establish accountability for involved.

Mr. Varley told Hestline was not to pin responsibility in the British motor industry since NVT came in as a result of the of Mr. Stonehouse when Minister of Development in Government.

Questioned by borough (C.) on possible security had been made as terrorism on a situated near Harris said it was ability of an own private property 1 tions.

Lord Harris said were always ready could not mount presence at all attacks might occur public houses use of the armed to which were prime IRA.

Lords he on sewer charges

THE ROW OVI charges levied on connected to ma reached the House today in a test as 10 Water Authority 900,000 ratepayers.

Some £51m. is at over the question of 900,000 must p charges the Law told. The Water claim contributions at rateable premises not they are come sewers.

The South 1 Authority appeals High Court decision which Mr. Justice that the right to "sewerage and services" is limited receiving those set

CHRISTMAS: Christmas parcels going by surface rou and South America Indies should be October 20, and sur October 20.

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THE ANTOFAGASTA (CHILD) & BOLIVIA RAILWAY COMPANY, LTD.

The 57th Annual General Meeting of the Company was held in London on 16th October. Mr. D. F. Crick, the chairman, said during the course of his address:

The year 1974 was from the point of view of traffic a most successful one providing us as it did with a record figure in terms of tonnage. Financially also there was a considerable improvement over 1973, although the return on our investment as represented by the remittable profit was very small indeed, being only 2.3 per cent.

Our discussions with the Central Bank have in general been encouraging, although it is to be regretted that we have been unable in a recent submission to persuade them to agree to the remittance of the whole of our small profit for 1974 in one amount instead of four annual instalments. We shall not be satisfied though until we have acquired either from the Central Bank or from the Foreign Investment Committee a contractual right to remit our profits instead of having to be dependent on each occasion on someone's goodwill. To this end Mr. Blair, our managing director, will in two days' time be leaving for Chile to renew negotiations there.

As for 1975, in terms of traffic this year is not proving to be quite as good as 1974 in as much as for the nine months to September total tonnage was some 7 per cent less than for the same period last year. This decrease has occurred solely in the Chilean traffic because both the Bolivian Down traffic in minerals and the Up traffic, chiefly wheat and flour, have increased. Undoubtedly the Chilean decrease is in part the result of the lower price of copper on the world market, copper traffic being down 9 per cent on the corresponding period last year—but I am hopeful that as its price is now showing a modest upward trend, the volume of Chilean copper exports will improve with benefit to the railway.

The financial results for 1975 to date are comparable with those of 1974 and I sincerely hope that within the next few months something more definite will emerge.

Although it is difficult enough to forecast, even at this late date, what the profit for 1975 will be, it is even more difficult to forecast how much of it, in terms of sterling, will be remittable in May or June of next year. By then we shall have had seven or eight more months of devaluation to contend with, and so far there seems to be no way in which we can protect our current peso profits against its ravages. We are, though, constantly seeking ways to preserve in some way the exchange value of our net earnings.

The Board nevertheless has sufficient confidence that in a modest cash flow from Chile will be maintained and in consequence has this morning decided to pay on 2nd January 1976 another full year's dividend on the 5 per cent Cumulative Preference Stock on account of the arrears outstanding. After that payment those dividends will be two years in arrears.

To sum up, therefore, although we are making progress in Chile, and our financial situation is a great deal better than it was, we cannot yet see our way clear to a soundly based future, and I sincerely hope that within the next few months something more definite will emerge.

Pay beds pledge unchanged... but a guarantee for private medicine

THE PRIME MINISTER, announcing a Royal Commission on the National Health Service, yesterday repeated the Government's commitment to phased separation of pay beds from National Health Service hospitals.

But he stressed that the Government was equally committed to maintenance of private medical practice, and intended to guarantee this in proposed legislation.

Mr. Wilson said that the terms of reference of the Royal Commission would be: "To consider in the interests of both the patients and of those who work in the National Health Service, the best use and management of the financial and manpower resources of the National Health Service."

The Royal Commission would also cover the parallel services in Northern Ireland. Its membership would be announced later.

Pressure

Mr. Wilson said: "The Health Service, like other services in all sectors of our national life, is under severe pressure from the economic difficulties which the country faces."

"In the case of the NHS, the situation has been accentuated by the upsurge of a major administrative reorganisation, by the unrest which followed from the service's employees falling behind in pay before the substantial pay increases which they received over the last 12 months, and above all, perhaps, by the pressure of rising expectations as medical science advances and new and higher standards of care and service become attainable."

Pressure, on the other hand, will make it impossible to do all that is desirable over the years ahead. There is widespread and understandable concern about the future of the service in these circumstances. It is essential that profound

and careful thought is given to the question how the service can make the best possible use of the financial and manpower available to it in the interests of the patients and of those who care for them.

The Government's commitment, made clear in the two elections we fought and won in 1974—namely the phased separation of pay beds from NHS hospitals—remains unchanged and legislation will be introduced as soon as the parliamentary timetable allows.

"The Secretary for Social Services and the Secretaries of State for Scotland, Wales and Northern Ireland, will continue with the consultations on the proposals in the Government's consultative document."

"The Government is equally committed to the maintenance of private medical practice in this country and we intend to guarantee this in the legislation we propose."

The Social Services Secretary has stated that her proposals on licensing will not conflict with this and she has invited consultations on how the right to private practice can be combined with the need to prevent a drain of essential resources from the NHS particularly in individual regions and locations.

Pay-beds and the provision for the upsurge of a major administrative reorganisation, by the unrest which followed from the service's employees falling behind in pay before the substantial pay increases which they received over the last 12 months, and above all, perhaps, by the pressure of rising expectations as medical science advances and new and higher standards of care and service become attainable."

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"I am confident that the work of the Commission will prove to be a landmark in ensuring that it is maintained and strengthened: Mrs. Margaret Thatcher, Opposition leader, said that the NHS had only been able to continue to serve patients because of the devotion of all its staff, which was being sorely tested.

The fact that Mr. Wilson had made a statement did not lessen the need to find immediate solutions to the problems. "We welcome an independent inquiry, but it is really independent and will it really command the co-operation and respect of the medical profession if, in spite of the announcement that there is to be a Royal Commission, the Government goes ahead and restricts pay beds to private practice and not within the NHS?"

She asked Mr. Wilson if he could give an indication of the timing of the Royal Commission, how long he expected it to take, and whether he could ask it to give an interim report. "Was there anything to stop it considering private practice?"

Mr. Wilson said he thought the inquiry would command the confidence of the medical profession and they would want to take the fullest advantage of it now that it had been set up.

He said the Government was aware of the anxiety about the continuation of pay beds.

Liberal leader, Mr. Jeremy Thorpe, said it was "illogical" to exclude pay beds and agency nurses from the Commission's terms of reference. He called for an interim report on these matters in about six months to avoid possible confrontation.

Mr. Wilson said that private practice and agency nurses could be fully examined by the Commission.

Mr. Ian Wigglesworth (Labour, Thornaby) said that many MPs "deeply deplored the hysterical statements" made by

some sections of the medical profession in recent weeks. Mr. Wilson replied that he would not say that he deplored the great strength of feeling, particularly about the problems of junior doctors," he said.

Mr. Kenneth Baker (Con., St. Marylebone) thought it more sensible for the Commission to report and for the House to consider their conclusions before legislation was introduced.

Dr. Maurice Miller (Lab., E. Kilbride) said that Labour MPs "utterly refuted the panicky and stupid allegations of the imminent collapse of the NHS."

Mr. Paul Dean (C., Somerset) spoke of "genuine fears about clinical freedom for doctors and choice for patients." If decisions on private practice were pre-majority of people in the country, emptied by the Government, the country."

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Plastics and Rubber Weekly February 21

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The Executive's World

EDITED BY JAMES ENSOR

Europe's smallest motor and aircraft company is also the most profitable. James Ensor explains its philosophy

Saab's slow Swedish style pays off in profits

It has become an accepted conventional wisdom that the conventional wisdom of the automotive industry is that the only way to survive in capital intensive industries like the auto, aerospace and computer are large. Yet Saab, a Swedish aircraft company which diversified into car production, has become a success story. It is dwarfed by all its rivals, European, Japanese and American in each of the markets in which it competes. It is even one of the world's most profitable companies in Sweden.

Despite vicissitudes in military and civil business, and such surprises as the 1974 crisis—which rocked its larger rivals—Saab has grown both rapidly and profitably. Over the past five years, its sales have grown at an average rate of 16 per cent, and its profits at 27 per cent. In 1974, for instance, its sales were up 16 per cent, and its profits up 27 per cent. In 1975, its sales are up 16 per cent, and its profits up 27 per cent.

Government

Government business accounts for most of the aircraft division's sales and for a fair proportion of the computer division's. Yet Saab-Scania is far from being a company which lives off a generous state. Indeed, some 42 per cent of its total output is exported, and the Scania truck division, for instance, the Saab exports 75 per cent of its

trucks. Scania trucks are built in Holland and Brazil as well as Sweden and Saab cars in Finland; Scania buses are being built for amongst others London Transport and Saab Drakens and Viggen fly in the Finnish and Danish airforces as well as the Swedish.

Saab-Scania as a company is little known outside the small circle of its customers and agents. Its president, Mr. Curt Millekowsky is a shy man who gives few interviews and concerns himself mainly with the aircraft company and its relationship with the Swedish Government. But Saab-Scania operates as a highly decentralised group as far as product and marketing policy is concerned. Each division has its own vice-president and its own headquarters in a different town.

The secret of Saab-Scania's remarkable success is its careful choice of investment projects and its slow, secure development. At the end of the war, Saab, then an aircraft company alone, decided that it should diversify into products that would be more in demand in war-ravaged Europe. Household appliances and prefabricated houses were considered, but the choice settled on cars because of the similarity in

production methods.

Saab designed an ugly but aerodynamic two-door car with a two-stroke, two-cylinder engine copied from the pre-war German DKW and set about converting the aircraft plant at Trollhattan to build it. By 1950, the Saab 92 was being produced at the incredibly low rate of 1,200 a year but in a Europe starved for cars, anything that was built could be sold.

Durability

The early Saab cars were incredibly crude, with outdated engines and suspensions that gave severe handling problems. So for that matter were Saab's independently designed aircraft, such as its first post-war plane a twin-tailed pusher prop machine of remarkable ugliness.

The Saab 92, despite its crudity, won the Swedish rally, the first for which it was entered. Since then, Saab cars have won at one time or another most of the important rallies of the world and their durability and ruggedness has been constantly developed in a testing school.

The basic design of the 92, of 1945, was continued with

relatively little stylistic variation but improved engines and components, as the 93 and then the 96 which continues in production to-day. By building the car for three decades Saab has been able to build up a production run of half a million. The Saab 99, which has been running for only six years, is now edging towards its quarter million.

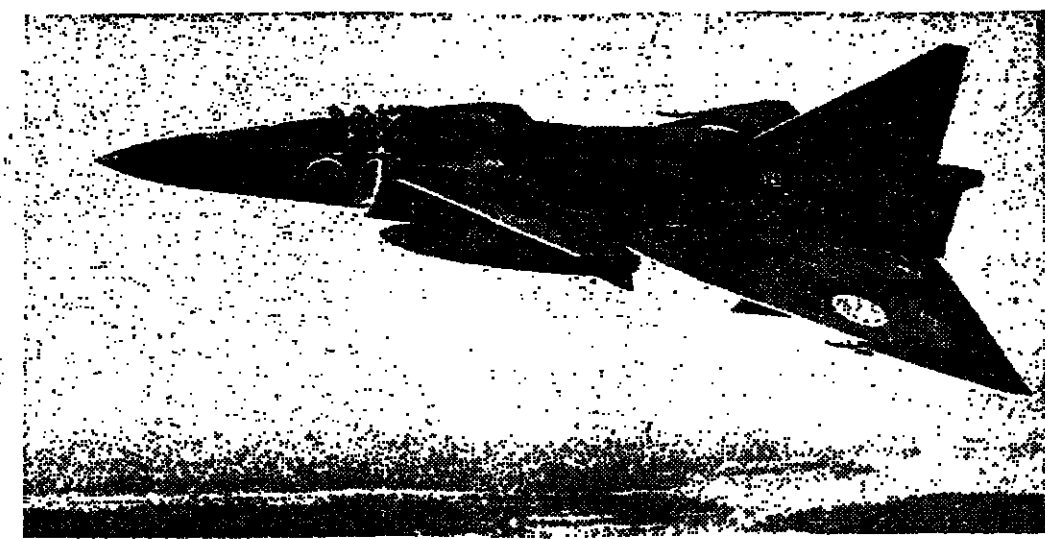
Aircraft, too, tend to stay in production for a long time at Saab. The Draken, which first flew in 1957, is still in production to-day, as a trainer and strike fighter. The Viggen, introduced in 1969, is still being delivered as the first line fighter for the Swedish airforce.

In the truck field, of course, modernity in design plays a very secondary role to reliability and durability. Scania, building powerful trucks of very conventional design but to very exacting engineering standards, has won itself a strong place in the market in such tough terrain as Brazil, Finland and Norway. Although its designs change rarely, they do not drop behind the market needs, and for a number of years Scania was building the most powerful road trucks in Europe.

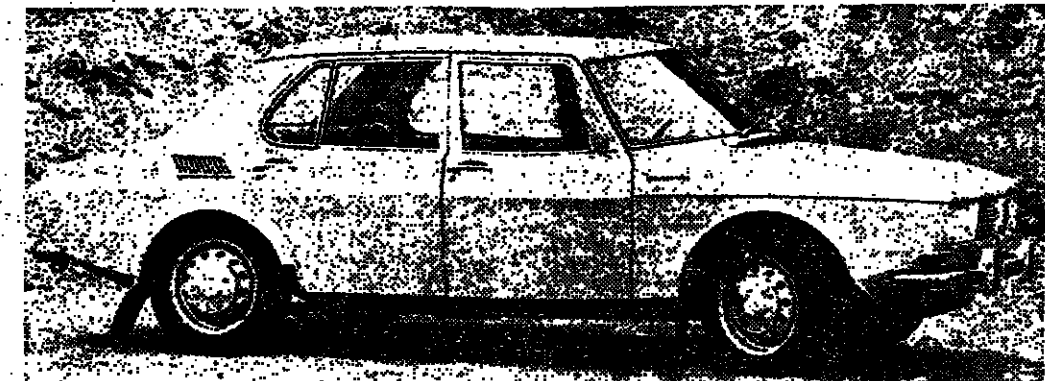
Merger

The merger of Saab and Scania in 1968, both companies in which the Wallenius family had interests, brought a lot of extra assets to Saab. The foundry and plant at Sodertälje could be used to make engines and gearboxes for Saab cars, reducing its reliance on bought-in components from Ford and Leyland. Scania's greater sales network could provide Saab with an entry into markets further afield than Scandinavia, Britain and North America, on which it had initially concentrated. And it gave greater financial security against a downturn in the volatile car market or a sharp cut in military spending.

By the Seventies, Saab-Scania had largely outgrown its origins as an aircraft company with trucks providing almost half the sales and cars one-third. 1974 was the best year ever for the passenger car division, which as vice-president Mr. Forsten Ackheim admits "was a little surprising." Saab weathered the energy crisis easily, since the Swedish market boomed during 1974 and sales lost overseas could be replaced on the domestic market.



Both the Saab Viggen (above) and the Saab 99 are programmed for very long production runs.

John Gooding describes his experiences of industrial promotion
lard sell in a VC10 to Nice

ory visits go there can a few to compare with arranged by Ingersoll. It invited 75 buyers to look round its new plant near Manchester. The guests, all based in the area, were asked along their passports, could be served some- side the U.K. The trip Thursday evening at Hotel in London, the next day to Manchester. A chartered VC10 ended on afternoon when the night the party back mystery destination— can have been few when the "hard sell" in such an accept- age, even in the oil. This is a day by day, how Ingersoll-Rand heshaw on the map. ss 4 p.m. Guests start the Gloucester Hotel, rooms they find an case, half-bottle of e and other gifts.

Cocktails are served at 6. Dinner at 8.30. Thursday 11 p.m. One of the guests tells how he recently put £1m. of business I-R's way. Further inquiries reveal that most of the buyers would be in the market for the equipment, large compressors and prime movers, made at Wythenshawe and could place contracts worth up to £2m. Suddenly the lavish hospitality seems to make sense. Friday 8.30 a.m. Here comes the hard sell. In spite of the American-style early start there are only one or two stragglers as Mr. Fred Hadfield, managing director of the I-R U.K. operations opens the briefing session. His approach is lighthearted. But he says I-R's U.K. turnover will be between \$55m. and \$70m. this year, a big jump on the \$39.3m. last year. Friday 9.20 a.m. During the break, when tomato juice is served instead of the usual coffee, I talk to Mr. Bill Weary, chairman and chief executive of I-R. He confirms that I-R has had fewer industrial relations problems in the U.K. than in the States and the product-

ivity is no lower here than in the U.S. He concentrated on putting over this message in his opening remarks earlier because the company sensed a decided nervousness among potential customers when they found equipment would be coming from the U.K. This was particularly noticeable in the oil industry where delivery on time is paramount.

Britain's bad image on the industrial relations front had come about because "when you have a strike it's a major one and it gets plenty of publicity." The unions, said Mr. Weary, should be less concerned with politics and pay more attention to traditional trade union matters.

I-R will be ploughing another £10m. into the U.K. during the next 18 months, mainly at Wythenshawe and Trafford Park and Hindley Green nearby in the Manchester area.

Friday 9.40 a.m. The briefing continues. I-R is determined to become a major supplier of process machinery and turbo machinery and the briefing is an attempt to assure potential buyers that it has the financial muscle and expertise to do so.

So out come the financial statistics. I-R had sales last year of \$1.4bn., earnings of \$101m., has allocated another \$135m. to expand and improve manufacturing capacity, and this year will spend \$50m. on engineering and development.

The fact that equipment is built to a standard world-wide specification whatever I-R plant it comes out of is emphasised. We get details and photographs of installed I-R equipment.

Friday 10.30 a.m. On the way to Heathrow by coach. One of the buyers insists that this will prove to be "a very cost-effective exercise." He says he will get a thorough briefing on what I-R can do and will have immediate access to top executives to discuss any points which might crop up. This face-to-face with the I-R executives was important because the trip would give time for friendships to be formed, goodwill generated. "And when you are in a business where the technology, the price and the delivery quoted by several companies might be all within splitting distance of one another—then a little goodwill goes a long way."

Friday 12 noon. Take off under the command of British Airways' VC10 fleet captain D'Arcy. The flight to Manchester is stretched to 14 hours to allow time for a champagne lunch. The aircraft takes us for a look at Dublin on the way to Manchester.

Mr. Fred Hadfield explains I-R's build up in the U.K. After I-R acquired Wythenshawe three years ago it pumped in more than \$4m. of working capital and \$5m. on equipment. Another \$1m. will be invested during the next 18 months.

The order intake has declined though Fred Hadfield reminds me that "in this business you only have to have one or two large orders come in and the whole situation is changed." A couple of large tenders are outstanding and success could give the U.K. business a two-year order book.

Friday 2 p.m. The factory tour begins. The first impression is that I-R was lucky to find such a plant at the right

time. GEC built the plant to make large transformers and it had some equipment already installed—an overhead travelling crane of 200 tons capacity for example. After GEC closed down Wythenshawe I-R bought it.

The 30 machine tools put into Wythenshawe by I-R have all been labelled for the visit. Details of the machine, its cost and the name of the operator are given. Shopfloor co-operation is certainly obvious today. For example, one of the big cranes is being used for carefully stage-managed lifting operations.

Friday 5.30 p.m. The aircraft takes off for "point X." Tea is served along with more potent drinks. A man from I-R tells me that they were busy fixing the last of the door handles on the office block at Wythenshawe only minutes before the party arrived. There now seems to be at least one I-R man for every guest on the trip.

While others are trying to guess where we will end up for the night, one of the buyers is discussing bribery in the engineering industry—a subject raised a week previously in The Engineer magazine. It can only exist at the lighter end of the business, he insists, not where the purchase of really heavy equipment is concerned. When his company is doing the engineering for a project, the designers are not allowed to specify any particular manufacturer's equipment. Once the scheme is complete, his company would ask for tenders from every manufacturer.

Of the I-R visit he says: "I know their equipment pretty well already. But this has been useful because it has given me a comfortable feeling about the group's financial weight. You can be sure that it will deliver anything you order and won't go out of business and leave you in the lurch."

Friday 7.45 p.m. "Point X" turns out to be Nice. The party descends on the Negresco, a luxury hotel in the Grand style, recently designated as one of France's national monuments.

Louis XIV

Friday 8.30 p.m. Dinner in the Louis XIV restaurant at the hotel. One of the other guests, a consultant, says that the oil companies are always very good hosts and lay on everything he asks in the way of facilities—"they think nothing of letting you use a helicopter for a couple of days so that you can get around to see what you need to see." He admits that much of the morning briefing session "sailed right over my head—it was just too early in the morning."

Friday 11.45 p.m. The meal is over. The mood is good-humoured. Nice is bound to be livelier than usual to-night.

Saturday 1 p.m. At Nice airport. Some of us try to guess at the cost of the trip. We know that a two-day charter for the VC10 is about \$8,000 so we plump for a round figure of \$25,000. "Cheap at the price when you consider the kind of contracts it might bring," someone comments.

Saturday 3.30 p.m. Arrive at Heathrow half an hour ahead of schedule.

John Hartigan
has spent 21 years
behind bars

"However," says John "it's only when you've spent years behind a bar that you acquire the knack of mixing a really great cocktail. So when your globe trotting guests fancy a Starboard Sour or a Harvey Wall Banger, introduce yourself to John in the Captain's Pub. He'll be pleased to see you."

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Tuesdays, October 21, 1975

Mr Healey and the markets

THE HEAVY falls in Government stocks yesterday, and the depression of the equity market, are an only too eloquent comment on the Chancellor's Mansion House speech and the political exchanges about public spending over the weekend. The Chancellor contrived to present a highly questionable policy in a very poor light: too much of his speech was both hectoring and evasive. He has compounded the error in his subsequent argument with Sir Geoffrey Howe, which suggests that he does not understand the substance of the City's criticisms of Government policy; or at any rate chooses not to do so.

Vague

Some reticence about future spending and the future deficit is understandable. The Chancellor's past estimates on both counts have been so wide of the mark that any figures offered now are likely to be treated with the deepest suspicion; to name a figure may well be enough to lead the market to allow for something much worse. This is a sorry state of affairs, for which the Chancellor made a sort of apology: but by concentrating on errors in forecasting the borrowing requirement, and pointing out that in other countries, too, unplanned deficits are emerging, he evaded the real issue.

What worries the City most of all is the unplanned growth of public expenditure, whether covered by revenue or not. This explosion cannot be explained away by the unexpected depth of the recession, which acts far more on revenue than on expenditure; what the markets want to hear, and have not yet heard, is that steps have been taken to enforce effective control in future.

The available evidence from Whitehall suggests that efforts are being made to impose effective discipline; and while we would be the last to urge the Chancellor to proclaim a premature victory, a mention of the campaign would have earned him a more sympathetic hearing.

Assuming that the Treasury can, at some future date, impose its will on the rest of the public sector, what should its policy aims be? The Chancellor has in the last day or two been speaking as if his critics were all demanding immediate and draconian cuts in public spending: but he knows very well that this is not the case. It is the future course of spending which causes concern, when a revival of activity brings pressure to bear on real and financial resources again.

Boasting

Finally, the Chancellor demoralised the gilt market by combining this apparently permissive attitude to spending with something very like boasting when he discussed the recent rise in interest rates. Very high interest rates are indeed inevitable if sound monetary policies are to be combined with unsound spending policies. They are also likely to inhibit any potential loan demand from industry—that is the function of high interest rates when the Government is hogging the available resources. If Mr. Healey had admitted that they are a deplorable temporary necessity, and explained how he hoped in the future to bring them down again—not just through wages policy, but by reducing the Government's hunger for credit—then he would have left a less nervous market behind him.

As things are, the City believes the Chancellor when he speaks as a dour monetarist, and usually when he speaks as a big spender; and it further suspects that when the inevitable financial consequences follow—a credit market in which public sector demands leave no room for other borrowers—the Chancellor plans to make the City his scapegoat. The Chancellor asked the City to recognise political realities; it will be more ready to do so when he shows a greater appreciation of the financial facts of life.

Tangled issues in the NHS

THE FACT that normal working at more than 60 hospitals up and down the country was disrupted yesterday by strikes among junior doctors is plain enough evidence of the extent to which morale has deteriorated in the National Health Service. The Royal Commission announced by the Prime Minister—its membership has yet to be announced—will clearly have its work cut out if it is somehow to reconcile the many differences of opinion and self-interest which have helped to bring the NHS to its present state.

A number of quite independent influences have worked together to produce this crisis—the reorganisation of NHS administration and of the nursing profession, for example; the attempt to improve the position of the overworked and underpaid junior doctors at a time when the £8 limit on pay increases ensured that few would gain much and some would actually lose from the change; and the manner in which Mrs. Barbara Castle has gone about the tackling of a difficult job.

Rising costs

There are two basic reasons for the current malaise of the NHS, over and above the specific causes of discontent already mentioned, which will inevitably fall outside the Royal Commission's power to influence, wide though its terms of reference appear to be. The first, quite simply, is the rising cost of running the NHS at a time when the need to cut back the growth of public expenditure has become more generally recognised. There is little doubt that there is scope for considerable economy in the running of the NHS if a conservative profession and a demanding public are willing to accept new methods of running it; especially the hospitals. It is in this field, with any luck, that the Royal Commission will be able to make useful recommendations.

But when all these economies are made and the fact accepted that some doctors will continue to emigrate to North America and

the NHS will not necessarily become a more contented and efficient institution. The plain truth is that we have been getting our health services on the cheap for many years past, compared with other developed countries, and largely at the expense of those who work in the NHS. We must either devote a larger share of our collective or individual incomes to health or acknowledge that the nation as a whole cannot expect to have the former standard of treatment.

Continued right

This point is difficult to bring home to the ordinary member of the public—or even to many of those who work in the NHS—because there is no obvious link at the individual level between demand and cost. It is because many doctors feel that they are unable to practise medicine as they would wish under the NHS in its present form that the issue of private patients and Labour's election pledge to phase private beds gradually out of NHS hospitals has assumed a major role in the present quarrel. The Government seems intent on pressing ahead with legislation on this issue, whatever the Royal Commission may have to say about the proper relationship between private practice and the NHS, and Mr. Wilson's only new contribution yesterday was a promise that the continued right to practise medicine privately would be guaranteed.

This is, however, at least a repudiation of those who wish to see private practice completely outlawed, and in calmer times there should be room for negotiating the terms on which doctors who wish to practise both privately and inside the NHS could continue to do so. But the times are far from calm; the profession is at odds with itself as well as with the Government and circumstances. It is to be hoped that the guarantee of the right to private practice and the membership of the Royal Commission will provide it with sufficient confidence to permit a cooling of tempers all round.

A rash of nationalism that threatens EEC harmony

From REGINALD DALE in Brussels, October 20

THE European Community most shocked Community is once again in ex-purists in recent weeks. The extremely bad shape. In outraged reaction of some of the last few days Britain's row the other governments has not been entirely free from hypochondria. In condemning the U.K. "dialogue" has stolen the M. Jean Sauvagnargues, the headlines. But the tough British French Foreign Minister, stand on the issue is only the latest in a series of body-blows to EEC solidarity that have partners on energy through its been dealt by one or other of continuing refusal to join the "big three" member states International Energy Agency in the past week. Since the end of the summer, holidays there from Bonn sounded rather self-

First, and least seriously, it was the turn of France, which in mid-September slapped a 12 per cent. tax on wine imports in the still unresolved "wine war" with Italy. Although France has produced arcane arguments to justify the move, there is no doubt in Brussels that it is quite illegal. Further, it is flying in the face of the principles of the Agricultural Common Market, to which France is meant to be so attached.

It would be an exaggeration to suggest that the French action poses a serious long-term threat to the Common Agricultural Policy (CAP), let alone to the Community as a whole. Italy has refrained from taking counter-measures and the dispute no longer looks like assuming major proportions. The whole affair eventually could be submerged in wider plans to reform the CAP by making producers more responsible for surplus production.

Retrograde step

The attitudes of Britain and West Germany over the past few weeks have been potentially much more serious for the Community's future development. Germany's temporary blocking of the EEC Budget last month was a retrograde step in that Bonn looked as if it was trying to claim a national veto in one of the few areas where majority voting had previously been the rule. Faced with complete isolation, Bonn caved in. But the point has been clearly made: there will be no new spending in any area of which Bonn does not approve. If further confirmation were needed, it came with the Chancellor Helmut Schmidt's series of blunt letters to the other EEC heads of government, backed by the accompanying German refusal to consider spending new money on aid to non-associated developing countries at last week's Council meeting in Luxembourg.

The letter to Mr. Harold Wilson was, of course, at least partly spurred by Britain's insistence on a separate seat at the table for the ministerial session of the consumer-producer "dialogue" in mid-December—the act that has

would be that there has been out of the drive to promote new some of their enthusiasm for direct elections and European passports if the U.K. suddenly withdrew its opposition to the idea. The second reason is that one equally well could accuse many of the other governments, and even the Brussels Commission, of no longer having a very clear idea of what sort of Europe they would ultimately like to see—and far less of what the next few steps forward should be. Germany says it will provide money for new



The stance of Mr. James Callaghan (left), Britain's Foreign Secretary, over the producer-consumer "dialogue" is the act that has most shocked Community purists in recent weeks. In condemning the U.K., M. Jean Sauvagnargues (right), the French Foreign Minister, conveniently forgot France's refusal to join the International Energy Agency. Meanwhile Mr. Leo Tindemans, Belgium's Prime Minister (centre), is said to be in a state of "mental confusion" over his planned report on European Union.

be argued that the British Government's readiness to use the veto in the future played at least a part last June in reassuring the country that it would be all right to remain a member of the Community. Significantly, Tory MPs refrained from joining in a strong personal attack on Mr. Callaghan over the issue in Strasbourg.

It is also true, however, that many people in the Community hoped that Britain would start playing a more positive role in at least some aspects of Community affairs after the referendum. Apart from the foreign policy co-operation meetings like the one in Italy at the weekend, which Mr. Callaghan clearly enjoys, it is hard to think of an area of internal Community policy where Britain has shown any sign of making a positive contribution. The Government played a big role in working out a Community position on raw materials and has made some useful suggestions for reforming the CAP, but it is hard to avoid the conclusion that there is no such thing as a coherent British policy towards the EEC as a whole. As one diplomat put it, "They don't seem to have the faintest idea what they're doing."

The steam seems to have gone

some of their enthusiasm for direct elections and European passports if the U.K. suddenly withdrew its opposition to the idea. The second reason is that one equally well could accuse many of the other governments, and even the Brussels Commission, of no longer having a very clear idea of what sort of Europe they would ultimately like to see—and far less of what the next few steps forward should be. Germany says it will provide money for new

Little progress is being made on anything in the Commission. The Nine to hold four separate in Luxembourg last 1, out taking a single recent decision. And Germans may have toughest in this y Council reading of it, all the other governments anxious to save money inevitable cutbacks policies and active treating the Budget a rise in forecasting the of existing policies, it is promoting a state than a dynamic Comm

General trend

Meanwhile, important national decisions are being taken in places in which not all are represented. Be sure for a separate "dialogue" is in the further example of trend. France is not only four of the Nine attending next month and monetary suit with the U.S. a three EEC countries members of the "snake" three non-members, sibly soon a fourth, with it.

Overall, the Nine's doing their best to their critics that the only a fair-weather munity. Not every over, is completely by expected of President Valéry Giscard d'Estaing. Mr. Leo Tindemans, the Belgian Prime Minister is reported as having a great difficulty in deciding what to put in his report on European Union due by the end of the year. —so much so that he is not expected to have it ready in final form in time for the next European Council on December 1-2. Having consulted scores of disowning Madrid—people and pressure groups throughout the Nine, Mr. Tindemans is said to be in a state of "mental confusion."

The Commission is also finding life difficult. After successes in the Lomé Convention negotiations and in the U.K. renegotiations, it now does seem to know where to go next. The Commission drew up an impressive report on European Union for Mr. Tindemans, but it has no illusions about prospects for its acceptance. The original referendum look as plans for Economic and Monetary Union in easy stages by bear a large share of it

MEN AND MATTERS

Co-op Bank becomes full clearer

Arthur Sugden, jovial as ever, appeared yesterday for the first time as chairman of a clearing bank. Previously, his main billing had been simply as chief executive of the Co-operative Wholesale Society, but yesterday the Co-operative Bank of which he is also chairman achieved long awaited full clearing status.

Until yesterday, the clearing banks—or to give them their official title, members of the London Bankers' Clearing House—numbered just six banks, the big four (Barclays, National Westminster, Midland and Lloyds) plus Williams and Glyn's—anyway a NatWest subsidiary, and Coutts. Now the Co-op becomes the first new member to this exclusive club for 39 years—though the Trustee Savings Bank is expected to come in also in the near future.

Clearing house means exactly what it says: each day 7m. items—cheques and so forth—from the different banks arrive at 10, Lombard Street and are sorted and returned to the bank of origin. However, membership brings prestige to the banks involved far more important than the mechanics of the system. Previously the Co-op Bank had access to the clearing house by using NatWest as their agents, and although the fee for membership is high, the annual cost of membership higher still, and the estimated direct saving from being a full member around £500,000 in the case of the Co-op, long-term spin-off benefits are likely to prove even more advantageous.

Apparently, the Co-op Bank thought of clearing house membership not long after the war,

but was not then either big enough, or well enough connected, to get in on the act. But in its centenary year of 1972, marked by a Mansion House lunch attended by the then Governor of the Bank of England Sir Leslie (now Lord) O'Brien, the subject was raised again by the Co-op camp.

O'Brien's advice was to strengthen the bank's presence in the City—which happened this year with the opening of the bank's first major office in the square mile at Cornhill.

As Arthur Sugden said yesterday the then Governor's advice proved sound in terms of setting full access to clearing house facilities, but the sturdily independent Co-op movement is still proud of the fact that although it is now a clearer it is the only one which is not based in London. It also boasts that since it has had to change its cheques to fit in with clearing house computer techniques it has taken the advantage in design the most forceful cheque that is possible in terms of current technology.

Switching the C and AG

It is probably possible but certainly difficult to fire judges and the holder of the office of Comptroller and Auditor General. Like members of the judiciary, the C and AG maintains absolute independence from Parliament, has his money (£18,875 a year at present) paid from the State's consolidated fund so it cannot be a matter for MPs' vote, and has no fixed retiring age.

In fact, Sir David Piltado, who has done the job since 1971, has decided to retire at 63 to be succeeded by a senior Treasury man, Sir Douglas Henley. Though not obviously necessary, it has been the rule for civil servants to get the



"On our ships, people have such a good time they don't want to leave!"

post, set up under an Act of 1886 as part of Gladstone's administrative reforms.

The C and AG has two main tasks: to audit Government and public expenditure, and check that Government departments are not drawing improperly on their Exchequer accounts at the Bank of England. The first involves appropriation accounts, studied (often acidly) as in the celebrated case recently of the hardly used, six-man Scottish toll bridge) by the Public Accounts Committee. The C and AG does not in fact comment on individual items, preferring to let figures speak for themselves. We will have to wait almost another year, incidentally, for public details of the accounts relating to the various controversial workers' co-operatives.

Apart from a five-year break with the erstwhile Department of Economic Affairs, Henley, now 56, has been in the Treasury since 1946. His is a rather different background to Piltado, whose career has included five years as private

secretary to three Prime Ministers—Attlee, Churchill and Eden. Before and after working with the Premiers, Piltado was in the Treasury, shifting later to be economic minister in Washington, then on to the DMF, the Ministry of Power and Technology, and finally the Civil Service Department as second permanent secretary before becoming C and AG.

As for that post, it has been copied now in all Commonwealth countries, though some have bravely decided to drop the archaic in favour of Controller and Auditor General.

Beerless

When the Institute of Directors has its annual gathering next month, there will be the usual distribution of lunch boxes (always such useful props when captains of industry, leading politicians and even Royalty are having their pictures taken).

This year, the rumour has gone round (and it sounds somewhat appropriate in these hard times), that the usual wine supplied with the boxes would be usurped by beer. Five thousand directors on the bitter? The Institute explains that a brewery did indeed offer free supplies, as have many other types of organisations in the past. But tradition has prevailed, the wine will be there, and will be paid for. Far be it from the apostles of self-reliance to accept handouts on their big day out.

Dampening

Definition of a bank manager: someone inclined to lend you an umbrella unless it's raining.

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Rugby Portland up 8% after six months

PRE-TAX PROFITS for the first half of 1975 at Rugby Portland Cement rose by 8 per cent, from last year's record \$4.97m. to \$5.36m. and the chairman, Sir Halford Reddish, says third quarter profits are "substantially higher" than for the same quarter of 1974. Profits for all 1974 were \$10.53m.

The Ordinary interim dividend is lifted from 1.275p to the maximum permitted 1.36p net costing £57,440 (£597,600) and the participating non-voting share interim from 0.815p to the maximum 0.87p net costing £281,890 (£264,060). Last year's final was 1.38p and 1.445p respectively.

HIGHLIGHTS

Rugby Portland Cement profits are once more moving ahead despite a setback in Australia, and the first-half surplus before depreciation is up by a tenth. The Lex column comments on this and also on the full report from Great Universal Stores where the balance sheet discloses a strong cash position. Halftime news from Lankro Chemicals, with profits slipping back, took the shares lower last night but Tricentrol closed 2p better despite a near-halving of profits at the midway mark. Lower profits are also reported by Selincourt at halftime and the picture at Reed Executive is much the same as that from other employment agencies reporting last week. Full-year results from British Industrial Holdings are complicated by the sale of Grundig last year. In Bids, CMT has allowed its offer for LCP to lapse.

First half 1975	1974
Group turnover	35,430,000
Trading surplus	1,632,000
Profit before tax	5,362,000
U.K. tax	1,775,000
Overseas	340,000
Net profit	3,247,000
Minorities	20,000
Less: 1974	3,250,000
Profit	1,117,000

The tax total charge includes equalisation reserves of £383,000 (£381,000).

Sir Halford reports that a substantial improvement in the U.K. in the first half has been offset to some extent by a further setback in profits of Cockburn Cement in Australia. No significant upsurge is likely there until the economic situation improves and inflation is brought under control, he adds.

Lankro's £0.96m. in first half

AS FORESHADOWED, first half (to August 31, 1975) taxable profits of the Lankro Chemicals Group, at \$260,000, show a reduction from the outstanding \$1.48m. level earned in the first half of 1974, but conditions in the same previous year period.

But chairman Mr. Tony Russell points out that they are considerably ahead of the \$331,000 achieved in the first half of 1973, when demand for industrial chemicals was much greater than now.

He adds that, although there is no indication of any upturn in the general level of industrial activity, the strong demand for agricultural chemicals continues and, despite increases in costs, the directors believe that results for the full year will compare favourably with all years prior to 1974-75. Profits for that year were \$2.33m. compared with \$1.41m. in 1973-74.

The cash position remains strong, and the programme of investment already announced is in course of implementation, Mr. Russell reports.

First half net earnings per 25p share are shown at 7.4p, against 14.1p, based on 6.95m. shares following the July last placing, compared with 4.94m. shares. The equivalent earnings figure would be 9.5p. Earnings for all 1974-75 were 23.3p.

As indicated at the time of the placing the net interim dividend is 2.4p (1.3p) and a similar final is expected to lift the total from 3.82p to 4.6p—the Treasury has agreed "to this level in the context of the placing."

A drop of 35 per cent. (or a near halving, if last year's pension provision is taken into account) if Lankro's pre-tax profits is in line with outside expectations but was enough to knock 2p off the

Selincourt slips at midway

CAUSED MAINLY by inflation and the weakening of sterling, the Selincourt group's textile manufacturing, Selincourt slipped from \$718,000 to \$603,000 in the half to July 31, 1975, and the directors warn that trading conditions are still difficult.

Tricosa in France and MacDougall in Scotland have returned better trading figures, but are not yet at the level required to ensure a contribution to group profits by the year end, members are told.

The interim dividend is held at 0.35p net. Last year's total was 0.73p, paid from pre-tax profits of £1.72m.

After a 20 per cent drop last year (excluding loan stock redemption profits) a 16 per cent. decline in Selincourt's interim pre-tax profits is nothing to cheer about, particularly as it seems that last year's loss-makers—Tricosa in France and MacDougall—are now only going to reduce their losses to £300,000 (£300,000) rather than eliminate them. Interest charges have continued to rise, despite the redemption of £3m. of loan stock, and thanks to the group's end-year debt/equity ratio of 240 per cent., these now absorb over one half of trading profits. Elsewhere, Taylor McDougall's M&S links and Frank Usher's own-brand products have supported the garment operations, but textiles are weaker

Many of the problems facing management of British firms in the U.K. (high taxation, labour troubles, shortage of capital for development) can be wholly or partially overcome by manufacturing in Ireland... Think of Ireland. It might be a happy answer to your problems.

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Tricentrol omits interim

OPERATING SURPLUS, before tax, of Tricentrol improved slightly from £977,100 to £992,000 in the first half of 1975 on a turnover up from £22.65m. to £27.48m.

After writing off terminal losses on discontinued activities connected with the engineering and travel groups, the central administration costs and the net interest on loan capital not allocated to operating divisions, which amounted to £575,000 (£565,000) and after allowing for tax, the net surplus amounted to £258,000 against £241,000. The commercial division contributed \$478,000 to the operating surplus (1974 \$261,000).

In line with established policy, no interim dividend will be paid. If, however, the commercial division results for the year show a surplus after covering the \$675,000 items careful consideration will be given to recommending a final. For the previous year an interim of 1.072p net, but no final, was paid prior to a 30 per cent. scrip issue.

Operating surplus—Exploration & Production: Area 1 North America \$14 281 Area 2 Trinidad 181 268 Total 205 299 Commercial U.K.: Cars 106 61 Trucks 22 88 Builders merchants 34 183 Hardware supplies 33 164 Travel 49 37 Property 40 37 Total U.K. commercial 222 425 Manufacturing: Australia 116 11 General trading 47 11 Total Australia 163 126 Bids, mch. Canada 89 11 Bids, mch. Holland 72 183 Asia pacific profs, etc. 71 183 Total commercial 478 616 Total operating surplus 683 927 Excluding extraordinary credits of £22,513 (debits £140,000), earnings before tax of £1,014,558 against £952,100 (£952,100) for the full year to July 31, 1975 on turnover of £15.2m. against £15.07m.

Excluding extraordinary credits of £22,513 (debits £140,000), earnings before tax of £1,014,558 against £952,100 (£952,100) for the full year to July 31, 1975 on turnover of £15.2m. against £15.07m.

Operating surplus is struck after (£600s omitted), depletion and amortisation \$472 (\$481); directors' remuneration \$30 (\$31); 7 per cent convertible loan interest \$28 (\$29); multi currency loan (\$120,000) (\$95,000); Guider loan \$58 (\$57); Eurodollar loan \$57 (\$57); short-term borrowing \$508 (\$372) and after crediting investment income \$42 (\$150).

Negotiations for financing Tricentrol's share of the development costs of the Thistle Field have been protracted, largely due to the complexity of the necessary legal documentation; required to safeguard the positions of the parties involved, but they are continuing satisfactorily and are

expected to be successfully concluded by the end of the year, the directors state.

Meanwhile, a £10m. temporary facility has been covered by interest guarantees provided by the Government.

Turning to the commercial division, the directors say apart from the builders merchants group, still suffering from the downturn in the building trade, the rest of the U.K. commercial groups performed satisfactorily. In Canada and in the Netherlands the builders merchants groups were similarly affected by low activity.

Tricentrol's profits are practically halved, and the pre-tax total slips to under £200,000 if the MacMillan acquisition—which came in for the 1974 second-half—is excluded. The group clearly has problems, since North Sea financing costs are mounting at a time when existing areas of profit are in a trough, and no one will be very surprised if the final dividend follows the interim into limbo. Where Tricentrol has strengths they are largely confined to the 10 per cent. stake in Thistle, which could be worth over 100p a share to the group, against a price of 42p, up 2p yesterday, and last published net worth of 49p. But profit returns here are still three to four years away. Meanwhile, there could be some relief from next month's round of higher gas prices in the U.S.

Full year earnings are shown to have fallen from 3.59p to 2.33p per 10p share. The dividend held at 1.4p net with an unchanged final of 0.7p.

Even allowing for the sale of the Grundig interests, which accounted for about £19m. in terms of 1974-75 sales, it is clear that British Industrial Holdings experienced some drop in volume. The pre-tax level has again been clipped by write-offs in the land bank, while the property side it—£1,677,000—has been reduced by £1,677,000. The dividend held at 1.4p net with an unchanged final of 0.7p.

With shortfalls in gilts ranging up to 11 points yesterday following the shakeout on Friday, Bristol must be regretting the timing of this £15m. issue. Corporation stocks, however, have been relatively firm and the Bristol yield is spot on that of Liverpool. Indeed, the yield differential between gilts and corporation stocks has now narrowed to about 21 per cent. against a recent figure of over 22 per cent. But sentiment has clearly taken a knock as a result of the weakness in gilts and, pending any recovery, demand for this issue must surely feel the effects.

Prospectus, Page 13

Three rights at par

THREE companies last night announced rights issues at par. Just a few hours after the Treasury had stated that new rules were being introduced as from midnight regarding dividend increases following a rights issue at a heavy discount.

Kwik Save, S. and W. Besford and Leamings Group are all making one-for-one rights. Kwik Save Discount Group is offering 15,510,000 Ordinary 10p shares on a one-for-one basis at par.

The dividend on the enlarged capital for 1975-76 will be not less than the 3.5895p net per share for this dividend for 1974-75 ended August 30, 1975. S. and W. Besford intends to raise about £3.35m. by the issue of 13,404,074 Ordinary 25p shares at par.

BIH drops to £0.57m.

AFTER DROPPING from £1.08m. to £0.34m. in the first half, pre-tax profits of British Industrial Holdings finished the year to June 30, 1975 down from \$94,000 to \$274,000. Figures for 1973-74 include the Grundig subsidiary sold on July 1, 1974.

Full year earnings are shown to have fallen from 3.59p to 2.33p per 10p share. The dividend held at 1.4p net with an unchanged final of 0.7p.

Even allowing for the sale of the Grundig interests, which accounted for about £19m. in terms of 1974-75 sales, it is clear that British Industrial Holdings experienced some drop in volume. The pre-tax level has again been clipped by write-offs in the land bank, while the property side it—£1,677,000—has been reduced by £1,677,000. The dividend held at 1.4p net with an unchanged final of 0.7p.

With shortfalls in gilts ranging up to 11 points yesterday following the shakeout on Friday, Bristol must be regretting the timing of this £15m. issue. Corporation stocks, however, have been relatively firm and the Bristol yield is spot on that of Liverpool. Indeed, the yield differential between gilts and corporation stocks has now narrowed to about 21 per cent. against a recent figure of over 22 per cent. But sentiment has clearly taken a knock as a result of the weakness in gilts and, pending any recovery, demand for this issue must surely feel the effects.

Prospectus, Page 13

Setback for Newman-Tonks

AFTER RISING from \$0.62m. to \$0.77m. in the first six months, pre-tax profits of Newman-Tonks slipped to \$0.57m. in the year to July 31, 1975 on turnover of £15.2m. against £15.07m.

Excluding extraordinary credits of £22,513 (debits £140,000), earnings before tax of £1,014,558 against £952,100 (£952,100) for the full year to July 31, 1975 on turnover of £15.2m. against £15.07m.

Operating surplus is struck after (£600s omitted), depletion and amortisation \$472 (\$481); directors' remuneration \$30 (\$31); 7 per cent convertible loan interest \$28 (\$29); multi currency loan (\$120,000) (\$95,000); Guider loan \$58 (\$57); Eurodollar loan \$57 (\$57); short-term borrowing \$508 (\$372) and after crediting investment income \$42 (\$150).

Negotiations for financing Tricentrol's share of the development costs of the Thistle Field have been protracted, largely due to the complexity of the necessary legal documentation; required to safeguard the positions of the parties involved, but they are continuing satisfactorily and are

expected to be successfully concluded by the end of the year, the directors state.

Meanwhile, a £10m. temporary facility has been covered by interest guarantees provided by the Government.

Turning to the commercial division, the directors say apart from the builders merchants group, still suffering from the downturn in the building trade, the rest of the U.K. commercial groups performed satisfactorily. In Canada and in the Netherlands the builders merchants groups were similarly affected by low activity.

Tricentrol's profits are practically halved, and the pre-tax total slips to under £200,000 if the MacMillan acquisition—which came in for the 1974 second-half—is excluded. The group clearly has problems, since North Sea financing costs are mounting at a time when existing areas of profit are in a trough, and no one will be very surprised if the final dividend follows the interim into limbo. Where Tricentrol has strengths they are largely confined to the 10 per cent. stake in Thistle, which could be worth over 100p a share to the group, against a price of 42p, up 2p yesterday, and last published net worth of 49p. But profit returns here are still three to four years away. Meanwhile, there could be some relief from next month's round of higher gas prices in the U.S.

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Prospectus, Page 13



DIVIDENDS ANNOUNCED

Current payment	Date of payment	Current dividend	Current dividend for year	Total last year
Brit. Ind. Holdings	0.7	Jan. 3	0.7	1.4
F. Copson	0.61	—	0.61	0.61
Edie and McHardy	0.5(b)	12	0.5	1.3
Lankro	2.21	Dec. 6	2.22	2.08
Myddleton Hotels	2.11	—	1.84	3.93
Newman-Tonks	2.28	Dec. 12	2.07	2.77
Reed Executive	2.02	Dec. 17	3.12	4.12
Rugby Portland Cement	1.36	Jan. 2	1.28	2.68
Selincourt	0.35	Dec. 12	0.35	0.73
Tricentrol	0.7	—	0.7	0.7

Dividends shown pence per share net except where otherwise stated. (a) Equivalent after allowing for scrip issues. (b) On capital increased by rights and/or acquisition issues. (c) Total of 4.5p forecast. (d) Per cent. gross.

ISSUE NEWS AND COMMENT

City of Bristol 13 1/2% 1981 stock

ARRANGEMENTS HAVE been completed for the issue by the City of Bristol of £15m. 13 1/2 per cent. Redeemable stock, 1981, at par. The stock is payable for the interim dividend of 0.5p net per share to be declared in respect of the 26-week period ended September 27, 1975. The intended final dividend on the enlarged capital is 1.0885p per share. The rights will be offered to the holders registered on November 14.

Application lists close on Thursday, October 23. Brokers are Pender and Boyla.

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Prospectus, Page 13

Three rights at par

THREE companies last night announced rights issues at par. Just a few hours after the Treasury had stated that new rules were being introduced as from midnight regarding dividend increases following a rights issue at a heavy discount.

Kwik Save, S. and W. Besford and Leamings Group are all making one-for-one rights. Kwik Save Discount Group is offering 15,510,000 Ordinary 10p shares on a one-for-one basis at par.

The dividend on the enlarged capital for 1975-76 will be not less than the 3.5895p net per share for this dividend for 1974-75 ended August 30, 1975. S. and W. Besford intends to raise about £3.35m. by the issue of 13,404,074 Ordinary 25p shares at par.

Interim dividend for the current year of 2.5p net per share has already been paid and the Board expects to recommend a final dividend for 1974-75 of 3.412p per share, the maximum possible. It is the intention that the same rate of dividend (3.085p gross) in respect of the year ended September 30, 1976 be maintained.

Plans for the second half of the British Steel Corporation's £1.50m. complex at Redcar, Teesside, were displayed to the public yesterday. The proposals include an export wharf and a £200m. plate mill.

Workers at BSC's Hartlepool and Consett plants are campaigning for the mill, believing that it will safeguard jobs. Lord Beswick, Industry Minister, is due to decide its location within two months.

If you are in doubt about this advertisement you should consult your stockbroker, bank or other professional adviser immediately.

AMBAC International Corporation

A corporation organised under the laws of the State of Delaware, United States of America

U.S. \$10,000,000 5% 15 year Convertible Loan of 1 (10,000 Bonds of \$1,000 each) Convertible into shares of Common Stock of

Stanwood half-year deficit

IN THE first half of 1975 Stanwood Radio incurred a loss before tax of \$105,059 compared with \$178,744 for the corresponding last year period and \$220,498 for the last full year.

The directors say that in the present economic climate, forecasting of even the immediate future is difficult. Margins continue to be "seriously reduced" due to constantly increasing costs and severe competition.

Every effort is being made to increase profitability, but it is essential to maintain a high standard of service even when trade is depressed, "hence it is not easy to reduce operating costs" they point out.

Again there is no interim dividend—the last dividend payment was 90.3886p final in 1973. At December 31, 1974, the company had \$478,000 of deferred tax reserves.

Cash and hire purchase sales increased substantially in the first six months due to the exceptional business in April following the announcement that VAT was

to be increased on pre-manufacture. As was expected, new business and June was severely. Since then, sales of appliances have steadily and have now reached of the corresponding last year.

Sales and rental television, however, has shown any improvement remains at a lower level for several years. It is seen whether or company will obtain the upsurge normally expected last quarter.

As the level of business has steadily reduced, the company has had to show a corresponding depreciation has come a very high level in nominal figure this year also show a reduction, down value of rental balance sheet now represents equivalent of approximately months rental income.

Turnover 4,500 Cash sales 2,100 Television rentals 1,600 Hire purchase 1,200 Trading profit 300 Depreciation 200 Interest charges 100 Loss before tax 200

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US ahead after first four months

Chairman of Great Britain's Board of Trade reports in his first annual report that the British economy is "in a sound position" and that the government's policies are "sound and well thought out".

But he adds that the British economy is "not in a position to match the performance of the United States in the first four months of the year".

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BOARD MEETINGS

The following companies have notified the Board of Trade of their annual general meetings:

1975

Admiral (Group) Ltd. 21.10.75
Admiral Shipbuilding Co. Ltd. 21.10.75
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The final dividend is 4.4 cents per share (10 cents less tax) (18 cents tax free) making 11.9 cents tax exempt and 10 cents less tax (33 cents tax free).

Ellis & McHardy rights

TOGETHER WITH reporting a pre-tax profit advance from £144,138 to £202,228 for the year to July 31, 1975, the directors of Ellis & McHardy announce a 1-for-2 rights issue of 2,210,228 shares. At midway the profit increase was from £20,775 to £30,528.

The dividend for the year is stepped up from 2.277p to 2.210p and the directors say it is hoped to maintain the dividend rate on the increased capital.

Turnover improved from £4m. to £5.99m. and profit after tax and extraordinary items came through up from £74,123 to £114,448.

Copson profit and dividend increased

Suppliers of heating equipment and building materials, F. Copson Company reports a rise in pre-tax profits from £92,455 to £117,718 for the year to April 30, 1975.

At half-way when profits had increased from £24,754 to £24,897, the directors forecast results for the full year at least as high as those for 1974-75.

The dividend is lifted from 0.55125p to 0.60675p net per 5p share. The chairman, Mr. F. Copson and his wife have gained waived their entitlement on 1.5m. shares amounting to £2,250 (28,268). The company is close.

1974-75 1975-76

Profit before tax 112,500 125,000

Tax 10,000 12,000

Net profit 102,500 113,000

Dividend 10,000 12,000

Retained 92,500 101,000

Trafford Park Estates

"If it were not for my forebodings in regard to the competence of our politicians I would forecast that the profits of your company should continue to rise," says Mr. N. G. Westbrook, chairman of Trafford Park Estates, in his annual statement.

As known, group pre-tax profit increased by £112,500 to £558,094 for the year ended June 30, 1975, and the 2.5 dividend should continue to rise.

The increase in profit is due partly to lettings of new properties, partly to an improvement in rentals and partly to an improvement in the profits of the Port of Manchester Warehouses and of other subsidiaries.

The full increase resulting from a changed basis of operating by Trafford Park Estates has not yet been wholly reflected in results, the chairman says, but will be reflected in a fairly extensive programme of repairs to the warehouses has been completed—completed within the coming two months.

The capital gains and development gains tax payable as a consequence of deemed disposals arising on first lettings of new properties introduced as from December 18, 1973 has increased the tax burden to the detriment of cash resources, the chairman adds.

Group interest in properties and chief-rents were valued on February 27, 1975 at £12,66m. and the value of the company's interest in the accounts in 1975. Since then interest rates have risen and property values in general have fallen and the directors recognise that the market value of the properties is currently less than book value. However, since the long term policy is to hold properties for investment, they do not consider it worthwhile to incur the expense of a further professional valuation at a time when it is still extremely difficult to establish market values. This matter is referred to in the auditor's report.

"The statement and application of funds statement shows a decrease of £22,000 (£25,000) in cash balances, and an increase of £191,000 (£228,000) in overdrafts." Meeting, Manchester, November 12, noon.

COMPANY NEWS

RICANCO AND CO. ENGINEERS (1975)—Results for year to June 30, 1975, reported September 7. Group sales rose to £246,000 (£178,000). Net assets per share £1.25 (£1.10). Accounts audited by Messrs. R. J. & Co. Chartered Accountants. The company has a 1-for-2 rights issue of 2,210,228 shares. At midway the profit increase was from £20,775 to £30,528.

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G. Scholes long term optimism

IN HIS annual statement, the chairman of George H. Scholes and Co. Mr. G. R. C. McDowell, tells members that the long-term future "looks bright".

The company is actively involved in broadening its scope, both in sales development and in product innovation, and the chairman is confident that this increased activity will reflect in forward achievements. The company manufactures electrical small switch and fusegear, and accessories.

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Lowndes Lambert in Italy

Lowndes Lambert Group, a Hill Samuel company, has further extended its European insurance broking network through the formation of a new Milan-based company in conjunction with Mols and Co. one of Italy's leading insurance brokers.

The new joint company, retaining the name of Mols, continues the Lowndes Lambert Group policy of expanding into Europe by association with established brokers backed by technical headquarters in London and Brussels.

To link the new operation into the group's European chain, which specialises in insurance services to international companies, Mr. Dick Pantlin has been appointed to the Milan Board.

Tebbitt midway loss

An increased loss of £54,143 (against £3,122 at £5,700 net recoverable) was incurred by the Tebitts in the first half of 1975. Turnover was down from £1,000 to £1,000.

As before, there is no interim dividend. For the year 1974 there was a loss of £39,555 and no dividend was paid, compared with 0.87p net per share for 1973.

The business is that of tanneries, leather manufacturers, importers and merchants.

Credit Finance halves payment

Dublin-based Credit Finance is halving its dividend to 6p per cent for the year to March 31, 1975, from stated earnings down and merchants.

Improving trend at Telefusion

WITH THE manufacturing problems of Telefusion now virtually eliminated, and the current level of business showing a recovery, there is "every indication of a satisfactory result" for the current year, says the chairman, Mr. J. Wilkinson.

Although it is difficult to forecast future profitability in the present uncertain times of recession, "our improving financial strength will ensure that we are well placed to take advantage of any profitable growth opportunities which may arise," he declares.

He reports that retail business was down in the first few months of the current year, mainly due to the VAT anticipatory buying prior to the year-end date, but is returning to a more normal level.

The balance sheet VAT retrospectively applied to rental customers had a damaging effect in the summer, but reversal of this application up to 5 per cent from August 1 had an immediate and dramatic effect in stabilising the future of rental.

As known group pre-tax profit decreased to £23,500 in the 58 weeks to May 31, 1975, compared with £23,500 for the previous year, and the dividend is the maximum permitted 0.87p net per share.

An appreciable increase in profit from the Trident Discount Centres during the second half was largely offset by losses and exceptional stock reserves of restructuring subsidiaries.

The rental division, which contributes the major portion of profits, was affected by the continuing high rate of inflation and a price increase was introduced at the end of January, 1975, to restore the necessary balance of profitability.

The interest charge was £1,138,000 (£1,138,000). Mainly as a result of cessation of Telpro manufacturing, the group is now able to operate at a lower level of stocks and the finance so released will be made available in reducing future interest charges.

Internal finance generated from existing rental accounts is considered adequate to meet anticipated demand for new sets.

The balance sheet has been strengthened appreciably by the surplus shown in the source and application of funds statement amounting to £7m. (deficit £2,600m). The net cash balance of £4,620m (£2,380m, overdraft) will be used mainly for reduction of liabilities and purchasing rental accounts.

F. Austin's sales up to expectation

IN THE present economic climate it is "hazardous" to forecast results for the current year, says Mr. F. Austin, chairman of furniture makers F. Austin (Leys), but so far sales are up to expectation.

The company is fully equipped both with plant and labour to take full advantage when the economy improves, he adds.

Taxable profit for the year to June 30, 1975, reported August 26, declined from £153,000 to £132,000. The dividend is lifted from 0.87p to 0.446p net.

Mr. Austin explains that demand for domestic furniture showed a down turn in the first half but there was a satisfactory improvement during the second half. However, this period coincided with a sharp decline in demand in the office furniture sector as a result of the severe cutback in capital investment by the large contract type of customer.

The result is reflected in the disappointing turnover for the year ahead slightly from £5.24m to £5.72m.

During the year the company successfully developed and marketed several new domestic ranges of packaged self assembly furniture that have met with "very encouraging" response.

The directors believe there to be substantial growth potential in this type of furniture, both at home and overseas.

Meeting, Argill Avenue, E., on November 14 at noon.

21.8% profit rise for E. Upton

The policy of greater liquidity and avoidance of high interest charges by E. Upton and Sons has helped it to push up its profit from £44,735 to £58,297 in the 28 weeks ended August 12, 1975.

Chairman Mr. W. Upton says

Upsurge at Tartan McCaul

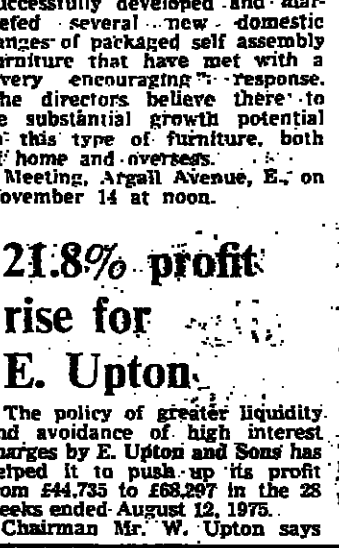
KNITWEAR distributors Tartan McCaul (formerly Benjamins Stores) and a subsidiary of Corinthian Holdings reports nearly doubled first half taxable profits of £140,493, against £72,332, with stated earnings per 10p share of 0.50 compared with 0.30p.

The directors say the introduction of import quotas in the U.K. must not be overlooked, but overall prospects for the second half are "encouraging", particularly in the U.S. where turnover and profits to date are ahead of budget. Profit for all the year 1974 was £252,300.

When the audited accounts for the year 1975 are available, it is intended to apply to the Stock Exchange for a re-listing of the company's shares.

There is again no interim dividend—the last dividend payment was an interim of 1.44p gross in 1974.

INDICATORS OF CAPITAL INVESTMENTS



increase in the Government's payment to farmers for rice. Persistent strength of "backward" fund demand by corporations.

According to the "Short-term Economic Survey of Principal Enterprises", conducted by the Bank of Japan, in August, feeling of stringency in corporate financing is receding further in general.

For example, the percentage of corporations which regarded lending attitudes of financial institutions as "severe" showed a continuous decline in the August survey both in manufacturing and non-manufacturing sectors.

In some industries, however, stringency in fund availability is reported to be felt even after the "industry as a whole, moreover, demand for fund to finance stocks and production curtailment did not shrink as expected generally and the new result" was that corporate financing failed to relax during the period of market rate drive. Corporations to operate below levels, putting a heavy burden on earnings.

fund demand geared to financing of stocks and production curtailment is viewed to be headed for gradual decline along with progress of inventory liquidation. Yet, on the other hand, "positive" fund demand for operation and investment will not become strong for the time being because of retarded recovery of business.

Given the direction of present policy, the channel of fund supply is expected to grow larger, resulting in gradual and general rise in easiness of corporate financing.

But on the level of individual corporations, deterioration of financial structure stemming from a dwindling proportion of internal financing is a development that should not be overlooked. Such erosion of corporate financial soundness is occurring, and prolonged recession as a consequence of a sharp drop in the operating rate and a resulting loss of market share have driven corporations to operate below levels, putting a heavy burden on earnings.

Stronger anti-recession package launched in hope of quick 2nd half recovery

Policy-makers who had been cautious about stimulating business in favor of stability of prices launched in September an anti-recession package more powerful than its three predecessors. Behind the action were worsening employment situations and accelerating deterioration of corporate performance, among other things, on one hand, and a reassuring calmness on the price scene that set in before summer, on the other.

The fourth anti-recession package comprises augmentation of public spending and public financing for housing aimed at generating effective demand, on the fiscal side, and a cut of the official discount rate and relaxation of restrictions imposed by the Bank of Japan on lendings by commercial banks, on the monetary side.

The authorities expect these measures to work to boost the real economic growth in the second half of the current fiscal year, ending next March 31, to an annual rate of 6.2 per cent.

Real growth rate in April-June quarter turned into plus

Seasonally adjusted real gross national product in the April-June quarter registered a gain of 0.8 per cent over the preceding three-month period. The growth occurred on the strength of substantial increases in fiscal spendings and private housing investment, coupled with gains by current overseas surplus and private inventory investment, which offset declines of personal consumption expenditure and private fixed capital formation.

Business outlook through year-end

What then is in store in the trend of business through the year-end?

Personal consumption expenditure is continuing depressed because of sluggish growth of household income. The rise of the average propensity to consume since last May should be interpreted as stemming from a marked slowdown of growth of income rather than from revival of a mood for spending.

In the absence of likelihood of a quick recovery of overtime and given a prospect of sluggish winter bonuses, coupled with the continuing discreet spending attitude of consumers, any substantial recovery of consumption expenditure seems unlikely through the year-end.

As for business spending, it is expected to be more active in the future. Moreover, additional strength will be provided by inventory building in some areas from around the year-end in anticipation of future business recovery.

Prices are increasingly calm. Both consumer and wholesale prices are exhibiting sobering trends recently.

But there are several factors that pose a concern about the future.

As for wholesale prices, increases of prices of steel

The international bank with your interests at heart.

We have your interests at heart. DAIICHI KANGYO BANK

Guinness Malaysia

Unaudited pre-tax profit of Guinness Malaysia improved to £113,600, from £111,200, previously, in the year ended August 31, 1975.

SELING ISSUES

EQUITIES

Latest	1975	Stock	Change
Return	High	Low	
188	121	110	11
714	110	88	22

FIXED INTEREST STOCKS

Latest	1975	Stock	Change
Return	High	Low	
218	95	85	10
1710	98	87	11
1029	98	87	11
51	98	87	11
112	104	91	13
518	464	444	20
99	1004	959	45
1410	1214	1084	130
5410	1084	102	1062
91	612	494	118
121	114	91	23
228	894	804	90
2811	11	11	0
269	114	91	23
231	278	238	40
18211	108	100	8
1214	114	91	23
2110	894	804	90

"RIGHTS" OFFERS

Latest	1975	Stock	Change
Return	High	Low	
228	5010	128	100
5810	10811	611	50
61014	1411	611	50
5010	8811	611	50
411	100	84	16
3010	911	28	83
171014	1411	308	280

When date usually last day for dealing free of stamp duty. a Placing 30c. b Figures based on prospectus statement. c Dividend rate paid or part central cover based on dividend as full stated. d Pence value indicated. * Forecast dividend: cover based on previous year's dividend. ** Forecast dividend: cover based on previous year's dividend or ranking only for restricted dividends. - Issued by tender. 1 holders of Ordinary shares as a "claim". * 300 S.A.R. comm. 2 Rights application. 3 Under allotment process. 4 Introduced. 5 Issued in full with reorganisation, interest or take-over. 6 Introduction. 7 Issued to service holders. 8 Allotment interest (or full-paid). 9 Provisional. 10 Allotment letters. 11 With warrants.

COMPANY NEWS

IN BRIEF

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Salomon Brothers International Limited

One Moorgate, London EC2R 6AB, England

GEORGE P. HUTCHINSON

has become a Vice President of Salomon Brothers.

We are pleased to announce that

Salomon Brothers International Limited

Stoddard ready for upturn

ANY WORTHWHILE projection of how the current year will turn out for carpet manufacturers, Stoddard Holdings, is quite impossible at this stage says chairman Sir Robert Maclean. Demand for the first three months is 'slightly up on last year, but the market remains highly sensitive'.

The directors believe the group can maintain its position both as one of the cost leaders in the industry and in terms of selling efficiency. But it is impossible for them to see at the present time which way the market is heading.

If past experience can be taken as a guide, as soon as the economy begins to settle and unemployment starts to go down, there will be a renewal of confidence and carpet purchases now deferred will be reflected in a strong flow of orders.

"It is our objective that when this time comes, Stoddards will have ready and waiting to serve the market efficient teams both in terms of production and sales," the chairman says.

As reported on August 29, pre-tax profit for the year to May 31, 1975 slumped from £1,391m to £1,291m, and the net dividend to £1,232m compared with £1,984m—equal to an unchanged gross total. A geographical analysis of turnover shows: U.K. £10.3m, Europe £10.7m, and the rest of the world £19.5m.

Commenting on the year Sir Robert points out that the policy of the directors laid much importance on improving the group's liquidity. Together with this, they had to keep in mind long term interests and not let the capital programme already in its final stages. So that both objectives might be achieved, the launching of new qualities on the market, albeit a costly undertaking, was delayed. As a result, profits, though not necessarily dividends, may have suffered, but £750,000 worth of new buildings and plant have been installed, and a decrease in short term borrowings of almost £600,000 achieved, he points out.

Exports have become an increasingly important part of the turnover and many new overseas sales outlets have been secured. Meeting, Elderslie, Renfrewshire, November 11, at noon.

Myddleton Hotels
After £143,000, against £105,000, for the first half, pre-tax profits of Myddleton Hotels finished the year to June 30, 1975, up from £88,110 to £133,711.

Full year profits were struck after interest of £199,048 compared with £194,827. Tax takes £36,025 against £19,925. Before extraordinary credits of £6,769 (£24,480) earnings per 50p share are shown to be up from 4.14p to 7.52p. The final dividend Marks.

Reed Executive's first half profits were 25 per cent lower before tax, but the depression seen in last week's figures from Brook Street and Alfred Marks is affecting the whole of the staff recruitment sector. On the face of it, Reed, which is a high volume low margin operation, appears to have fared better during the depression so far than either of the other two; employment agency profits are 31 per cent lower. The Reed share price has been reduced by 36 per cent, and the group is budgeting for a similar reduction in the second six months, but with the volume of (temporary) placements still at a very low level and the permanent business showing no real signs yet of a pick-up, the downturn could well have gained pace by the year-end. At 38p the share price is 17.2 per cent, roughly in line with Brook Street and about 31 points less than Marks.

MINING NEWS

Connor inflates Peko's uranium cost

BY LESLIE PARKER, MINING EDITOR

ONE OF THE by-products of the delaying tactics imposed by the Australian Government's recently deposed Mines Minister, Mr. Rex Connor, was underlined by the chairman of Peko-Wallasea at yesterday's annual meeting.

Mr. J. S. Proud said that the cost of the Ranger uranium project in the Northern Territory was now likely to exceed \$140m (£88m), double the estimate in 1974. At that time the company and its partner, E2 Industries, were pinpointed by Mr. Connor as his first reluctant choice for a production go-ahead in that they were an all-Australian combination.

But it was only a fortnight ago that any development agreement with the Federal authorities was actually reached. Mr. Proud added that plant construction was planned to begin two years ago. But at least most of the subsequent capital cost increase would be met by the Government itself with its 72.5 per cent liability in this respect.

In the meantime the chairman could see no significant improvement in Peko's 1975-76 profits following the past year's 25 per cent fall. Copper was not expected to make any contribution. Mr. Proud said most of the gold-mining and Tennant Creek mineral sands project, Kings Island scheelite and the industrial division.

In the first quarter of the current year, a sharp drop in copper production was attributed to last February's suspension of copper operations at Tennant Creek as the closure of the Mount Morgan smelter from April 27 to July 18 for extended maintenance. Coal production was cut by industry-wide wage disputes in London yesterday. Peko rallied 10p to 380p.

GLOOMY OUTLOOK FOR FALCON
Rhodesia's major gold producer, Falcon, is expected to suffer a fall in profits and dividend in the year to September 30, 1976. At a gold price of \$151.38 an ounce, the company says that working profit will fall to \$281m from \$312m in 1975-76. This is owing to the lower gold price and an 18 per cent increase in costs.

However, every \$US rise in the metal's price means an increase in working profit of \$827,000 per annum to the mine. From the lower profit, the company predicts that \$817,000,000 will be available for distribution, equivalent to 35-cents-a-share which is almost half the distribution of 65 cents paid for 1974/75.

Ore reserves are marginally higher, at 1.2m tonnes but the grade is lower, at 0.745 dwts a tonne over a width slightly reduced to 67 inches. Falcon was 15p lower in London yesterday at 190p cum premium.

Uranium boost for Denison
THE IMPACT on earnings of Canada's Denison Mines of the uranium sale, contract with Spain's Empresa Nacional del Uranio is further underlined by the sharply higher nine months net profits of \$13.2m (£7.2m) or \$2.5 a share, this compares with \$9.2m or \$2.01 a share, for the same period of 1974.

Increased income was also forthcoming from oil and gas operations but revenue from investments and earnings of Lake Ontario Cement declined. Operating profit increased over the nine months by 116 per cent on the corresponding period a year ago. Of this, the uranium division contributed \$7.1 per cent and oil and gas the remaining 2.2 per cent.

Deliveries under the Empresa uranium contract for the current year were completed in September but further sales will be made in the coming two years. Denison's total earnings in 1974 were \$12.55m or \$2.75 per share.

GREAT BOULDER IN THE RED
Australia's Great Boulder Mines, 43 per cent owned by Western Mining, made a loss of \$1.58m in July 1974. At Carr Boyd, production of the Scotia nickel mine was substantially reduced owing to the surface subsidence in July 1974. At Carr Boyd, production of the Scotia nickel mine was substantially reduced owing to the surface subsidence in July 1974.

The General Mining group's South African gold producer South Roddepoort will find it difficult to operate profitably at the present gold price despite the rand devaluation, the chairman told the annual meeting. Underground operations continue to be adversely affected by a shortage of payable stope faces as well as by delays caused by breakdowns of old equipment.

ROUND-UP
In the year to June 30 the Western Platinum operation of Lomro treated 1.2m tonnes of ore from which 76,989 ounces of platinum were extracted along with 33,051 ounces of palladium. Other precious metals amounted to 1,333 ounces nickel, 1,568 tonnes and copper to 931 tonnes. Working profit was \$4,732m (£2,632m) before providing for metal stock adjustments estimated at \$297,000.

Two black mineworkers were killed at the Pioneer shaft and 14 injured at the south shaft of General Mining's Buffelsfontein, the South African gold producer. Yesterday morning 780 Basuto, out of a total 3,500 on the south shaft, refused to begin work. The situation is said to be under control and negotiations are being held between mine officials and the Basuto workers. Production should only be slightly affected, it is stated.

A joint company is to be formed by Consolidated Gold Fields and Anglo-American to investigate opportunities in the field of underground storage. The latter company is reported to have substantial experience in underground storage facilities while Gold Fields is active in mining and development in South Africa, Australia and the U.K.

BIDS AND DEALS
Howard & Wyndham bid for rest of Ciro

Ciro Holdings, the jewellery concern, announced that it has been approached by Bankers Trust International on behalf of Howard & Wyndham with a view to agreeing the terms of an offer by Howard & Wyndham for the 67.31 per cent of Ciro which it does not already own. The Ciro Board advises shareholders not to dispose of their shares pending a further announcement on the move. Mr. R. Fields, chairman of Howard & Wyndham, said: "I hope we reach agreement with the Board of Ciro. It is unlikely that we shall go to an offer without its approval."

Ciro's shares closed 3p up at 15p while Howard and Wyndham were at 27p, down 1p.

Sturla buys stake in S & U
George Sturla has acquired for £250,000 cash a 14 per cent equity stake in S & U Stores, and has also entered into put-and-call option arrangements under which it may acquire a further 14 per cent of the capital at the same price.

The vendors are members of the Coombs family which, up until this latest move, controlled the company. Discussions between the two companies have been taking place for two years. A spokesman for Sturla emphasised last night that the purchase was regarded as an investment, and there was no intention at present to make a full-scale take-over bid.

Mr. A. Dobson, chairman of Sturla, said last night the holding was bought at 20p per share. He added that his company was pursuing a vigorous growth policy, including the building up a substantial consumer credit business.

CMT bid for LCP lapses
The contested take-over bid for LCP Holdings from Central Manufacturing and Trading has been allowed to lapse. Acceptances were received in respect of only 154,950 LCP Ordinary shares. In a statement issued last night, the Board of CMT stated that following careful consideration of LCP's defence document, it was felt "they would not be justified in improving the terms offered by CMT."

GENERAL ACCIDENT
The General Accident offer to acquire the 301,603 shares in Brighton, Worthing and District Property and Investment Corp. not already owned has received 100 per cent acceptance. Of the acceptances, holders of 39,560 shares accepted the cash offer of 15s. General Accident and its subsidiaries now own all the capital.

SHARE STAKES
Laporte Industries Holdings—Solvay of Cie acquired 300,000 Ordinary shares on October 6 to increase its total holding from 8.1m to 8.4m shares. Slater Walker, the subsidiaries, etc., announce that, as at October 15, their interest in Estates House Investment Trust amounted to 3,953,111 Ordinary shares (10.80 per cent). This does not constitute a disclosure under the Companies Act.

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Hong Kong — 4 and 5 December 1975

A conference organised by the Financial Times

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Orient Airlines Association
Prospects for World Aviation to 1980 — AN AMERICAN VIEW
Mr Willis Player
Pan American Airways

THE CHANGING NATURE OF WORLD AIR TRANSPORT AND ITS IMPACT IN THE PACIFIC BASIN
Mr Knut Hammarskjöld
International Air Transport Association

THE DEVELOPING AIRLINE AND ITS VIEW OF ITS ROLE IN LONG HAUL
Mr Chittachai Buay
Thai Airways International Limited

FAST-BUT-CONTROLLED DEVELOPMENT IN THE AIRLINE BUSINESS
Mr Lim Chin Beng
Singapore Airlines Limited

KEYNOTES FOR INDEPENDENTS: ROUTE PATTERNS FOR PROFITS
Sir Peter G Maxwell
British Caledonian Airways

THE PROSPECTS OF CARGO
Mr Shigeo Kameda
Japan Air Lines

RELATIONS BETWEEN GOVERNMENTS AND AIRLINES
Mr K K Unni
Air India
Member of the Executive Committee International Air Transport Association

MEETING THE NEEDS OF THE PACIFIC MARKET

Mr E H Bogliou
Boeing Commercial Airplane Company
Mr J Ferguson Smith
British Aircraft Corporation Limited
Mr A Carl Ketchian
Lockheed Aircraft Corporation

THE FUTURE OF PACIFIC AVIATION

Mr J F Jeffries
Air New Zealand
Mr Cheong Hoon Che
Korean Airlines
Hanjin Group

PROBLEMS IN AIRPORTS — EXPERIENCE IN KAI TAK

Mr R E Downing, JP
Director of Civil Aviation, Hong Kong

THE PASSENGER, THE ENVIRONMENT AND THE FUTURE OF AVIATION

Mr Michael Donnan
Aerospace Correspondent, Financial Times

DOMESTIC OPERATIONS — AUSTRALIA

Dr Harold W Poulton, OBE
Ansett Transport Industries Limited

THE INFLUENCE OF CONCORDE

Mr Gordon Davidson
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World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on October 20, 1975. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling

area other than Scheduled Territory: (K) Scheduled Territory; (O) official rate; (F) free rate; (T) tourist rate; (N.C.) non-commercial rate; (N.A.) not available; (A) approximate rate no direct quotation available; (S) selling rate; (B) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bs) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling
Algeria: Dinar	136.48	Germany: West	5.20	Paraguay: Guaraní	257.45
Algeria: Lek	175.94	Ghana: Cedi	2.70	P.R. of Congo: C.F. Franc	20.70
Algeria: Dinar	136.48	Ghana: Cedi	2.70	P.R. of Congo: C.F. Franc	20.70
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INTERNATIONAL COMPANY NEWS + EURO MARKETS

Sydney Stock Exchange concerned over Gollin

AMES FOLLY

STOCK Exchange to be questioned directors' Holdings as to why they the Exchange that they caused the exchange a sharp price of the shares only 17 days before the loss of 10 per cent. The deficit is one of the ever recorded by an company.

Exchange told the Gollin but it considered very the possible suspension of the company's reason for the variation in the share price.

Exchange chairman, it on record that it views in the Valder, said the fact

which have occurred. It also wishes to make it clear that every listed company is under a positive obligation to disclose promptly all information necessary to avoid the establishment of a false market.

Mr. Valder said the Exchange had a positive duty to do everything in its power to avoid the establishment of a false market. Its duty to the investing public required that it make prompt inquiries in cases where price fluctuations to determine whether shares should be suspended in the interests of an informed and orderly market.

SYDNEY, Oct. 20

Borden comes to town

By Bill Cochran

BORDEN, ranking 54th in Fortunes list of the top 500 U.S. manufacturing companies, came to London yesterday only to tell us that the news was good and that they wanted nothing but appreciation. Here presumably, they were talking about the company's achievements, its market rating, or both.

After net income gains of 4.7 per cent in the first quarter and 6.1 in the second, Chairman and chief executive Mr. A. R. Marzani was looking for a rise of about 15 per cent in July/September, which adds up to an 8 per cent nine months gain for the dairy/foods/chemicals concern.

Borden's debt: equity ratio, concluded Mr. Marzani, was still around 12 per cent, and "coming down 10 per cent line being that Borden gets ten rating for commercial paper from both Moodies and Standard and Poors.

Breathing space for Enka as trade union rift appears

BY MICHAEL VAN OS

AMSTERDAM, Oct. 20

THE MANAGEMENT of Enka, the loss-making Dutch chemical fibre group, which is expected to announce an initial decision on the implementation of a far-reaching restructuring plan, has been given a breathing space. A split has occurred in the trade unions which are trying to prevent the company from going ahead with plans which would reduce its European jobs by over 6,000.

The rift in the, so far, united trade union front emerged after various organisations rejected a proposal from the most militant (and largest) trade union, the Socialistische NVV, to view their position. Later this afternoon, the central works council of Enka is expected to announce that it will continue consultations with the Enka management.

Only the engineering division is still showing a rising trend. Star Paper, Kymi's subsidiary in the U.K., recorded a 21 per cent decrease in production and 24 per cent drop in sales.

fore, international control and consultations. Meanwhile, trade unions represented at the various Enka plants in Holland, Germany and Belgium are meeting again in Amsterdam this afternoon to discuss the new situation and the possible line of action now that the Industriële NVV's attempt to disrupt the consultations has failed.

Enka's management last week informed the trade unions that total losses in the yarn and fibres sector had reached about £150m. in the period January-end-September this year. As a result of the Enka loss, the parent company, Akzo may be omitting its dividend this year.

Countering what are clearly trade union delaying tactics, the Enka management has stressed that its problems are only to a minor extent of a cyclical nature and that the majority of the losses were structural.

Stauffer beats trend

By Ray Daffer

EARLY SIGNS that the world-wide economy is recovering are seen by Stauffer Chemical, reporting its 15th consecutive record for quarterly earnings.

The U.S. chemical group reported yesterday that net earnings for the third quarter of this year increased 11 per cent, to \$15.83m, as against the \$14.03m. for the same period in 1974. Net sales for the three months rose 2 per cent to \$207m. from the record \$203.4m. reported a year ago.

Net earnings for the first nine months of this year rose 31 per cent to \$75.8m. or \$7.08 per share on a fully diluted basis. This performance compares with \$68m. or \$6.44 per share, for the same period last year. Nine months net sales were \$710.7m., an increase of 12 per cent.

The figures are in contrast to the depressed results reported by some companies in the chemical industry in recent months, particularly those on the Continent. In part they reflect the spread of Stauffer's activities which include agricultural chemicals, industrial chemicals, food ingredients, specialty chemicals and plastics.

Mr. H. Barclay Morley, president and chief executive, commented that the company experienced a modest increase in demand across the board during the past quarter. "We believe this indicates the economy has bottomed out and is showing recovery," he said.

He expected that the improvement in demand would continue for the remainder of the year. "We anticipate a solid year-end increase over total 1974 earnings," he said.

PRINTEMPS LOSS
By Rupert Cornwell
PARIS, Oct. 20
AU PRINTEMPS, the holding company for the Printemps and Prisunic store chain, today announced a first half loss of Frs35.5m. (€4m.), the bulk of which reflects provisions made for losses by certain of the group's subsidiaries.

The actual comparable loss was Frs6.8m. compared with a profit of Frs4.7m. in the first six months of 1974. However Printemps also set aside Frs28.5m. to make good deficits of "certain subsidiaries and interests."

The Board is adopting a fairly sanguine approach for the rest of the year. It notes that the second half is usually better for its business than the first, and that the loss in no way indicates the likely course of the whole year.

In fact, the growing signs of a turnaround in the national economy should also help consumer spending, which indeed appears to have been relatively buoyant through the summer.

Development Underwriting loss

AMES FORTH

MENT Underwriting, estate, commercial textile and pastoral offered a reverse in winging from a profit to a \$41.4m. loss.

Working items totalling \$41.2m. comprised a \$4563,000 of breeding cattle, of \$480,000 for the n of some real estate and \$4198,000 cost of wn a textile operation.

During the year the Australian Government approved a deal

Directors say they expect the group to return to a profitable basis in 1975-76, provided the presently evident improvement in trading is maintained.

In addition to the cattle, write down the company lost \$4563,000 from its meat operations. They said the value of the stock in land, houses and home units held for resale amounted to \$435m. at June 30.

Remaining textile operations had fully recovered with the reintroduction of certain import controls.

which allowed Swiss and U.S. interests to gain control of the company, suffering at the time from liquidity problems. The Union Bank of Switzerland and Chemical Bank of the U.S. pumped in \$44m. in additional working capital. Union lifted its holding from 7 per cent to 23 per cent through convertible Preference shares, while Chemical Bank increased its stake from 10 per cent to 25 per cent through a subordinated loan, convertible to equity.

Directors said today that the company's liquid funds were now substantial and all of its stand-by facilities were still available.

NEW YORK, Oct. 20.
IN A further effort to beat off the recent offer by United Technologies for about 53 per cent of its shares, Otis Elevator, bas of its shares, Otis Elevator, has gone to court to seek permanent injunction against the bid.

Otis' legal arguments are based partly on the contention that United Technologies' marketing and technological strengths would so increase Otis' pre-eminence in the lift and escalator market that it would be likely to invite anti-trust action.

Otis said that last year its new sales bookings for lifts in the U.S. amounted to \$144m., or 35 per cent of the U.S. market. It said that it also accounted for 37 per cent of gearless lifts sales in the U.S., with sales of \$61.2m.

United Technologies' marketing and technological strengths would so increase Otis' pre-eminence in the lift and escalator market that it would be likely to invite anti-trust action.

Otis seeks injunction to block bid

By Guy de Jongh

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Worldwide problems for Kymi

BY LANCE KEYWORTH

KYMI KYMMENE, the Finnish multinational with forest industry, chemicals and engineering interests, has published its interim report for the first eight months of 1975. It reveals just how badly especially the forest industry is suffering from a present depression. At the end of August, the turnover of the parent company was down to barely Fmk15bn. (€125m.) from Fmk15.5bn. a year ago.

Only the engineering division is still showing a rising trend. Star Paper, Kymi's subsidiary in the U.K., recorded a 21 per cent decrease in production and 24 per cent drop in sales.

Sharp fall for Kockums

BY JOHN WALKER

STOCKHOLM, Oct. 20

KOCKUMS, the Swedish shipbuilding and engineering concern forecast in their eight-month interim report that the amount to ten ships each of this year will fall to about 355,000 tons and the last ship in the orderbook is due for delivery in the first quarter of 1978.

The industrial order intake was hard pressed in the period under review and is 43 per cent down when compared with the months of this year have same period last year, and dropped to Kr.990m. (€110m.) amounts to Kr.265m.

compared with Kr.1.1bn. in the same period last year. Negotiations for an order for two ships have been cancelled, amount to ten ships each of this year will fall to about 355,000 tons and the last ship in the orderbook is due for delivery in the first quarter of 1978.

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in times for Krauss-Maffei

HAWTIN

LR and 1926 will be ones for the Flick-Krauss-Maffei group of the locomotive and nk builder is expecting turnover of about 31 this year, and has no more all of this was of the group's making. It was hard hit in 1975 is expected

to hover around the DM300m. mark after last year's DM723m. As a result, Krauss-Maffei believe that a loss this year will be unavoidable.

Last year was a bad one for the group-makers of West Germany's famous Leopard tank. By no means all of this was of the group's making. It was hard hit in 1975 is expected

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ked sales for VW

HAWTIN

GEN'S SALES—ex-Brazilian associate—per cent increase in use quarters of 1975, with the performance a period of last year. In West Germany, Europe showed a recovery but the vital market remained de-

cent compared with the year before, but these markets accounted for only 33,750 vehicles. Sales in the rich American market, however, were 13.4 per cent down at 276,000 units.

Performance figures in the U.S. market were undoubtedly affected by a heavy decline in VW's sales in September. These plunged by 42 per cent below the comparable figures for the same month of 1974, which was also a time of reasonably poor performance.

The reason for the sudden decline, was that during this month, 1975 models were being phased out while the 1976 ones were gradually being introduced, according to VW of America.

Indeed, Audi and Porsche sales were also down and these had been showing some growth.

de growth forecast

ATHAN CARR

he Wiesbaden-based plant and cold steel expects a higher turn "satisfactory" earnings 1975 business year against the first half occasioned by fulfilment early on of several ominal share is likely tained on share capital by DM173m. (€10

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Citicorp International Bank Limited
Postipankki
Westdeutsche Landesbank Girozentrale

Alahki Bank of Kuwait K.S.C.	Algemeine Bank Nederland N.V.	Amsterdam-Rotterdam Bank N.V.	A. E. Ames & Co.
Andelsbanken-Danskebank	Andersen Bank A/S	Astair & Co. Limited	Banca Commerciale Italiana
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Bank Gutzwiller, Kurz, Buegner (Owen) Limited	Bank of Helsinki Limited	Bank Leu International Limited	Bank Mees & Hope N.V.
Banque Arabe et Internationale d'Investissement (B.A.I.I.)	Banque Audi S.A.L.	Banque d'Investissement et de Financement S.A.L.	Banque Française de Dépôts et de Titres
Banque Générale du Luxembourg S.A.	Banque Internationale à Luxembourg S.A.	Banque d'Investissement et de Financement S.A.L.	Banque de Neufville, Schlumberger, Mallet
Banque Lambert-Luxembourg S.A.	Banque Nationale de Paris	Banque de Paris et de la Région des Mines	Banque de l'Union Européenne
Banque de Paris et de la Région des Mines	Banque Populaire Suisse (Untermyer) S.A.	Banque de Suez et de l'Union des Mines	Berliner Handel- und Frankfurter Bank
Banque Worms	Baring Brothers & Co. Limited	Joh. Breitenberg, Gossler & Co.	Berliner Handels- und Frankfurter Bank
Christiania Bank og Kreditkasse	Commerzbank Aktiengesellschaft	Compagnia Finanziaria Internazionale S.p.A.	Creditanstalt-Bankverein
Credit Commercial de France	Credit Industriel et Commercial	Credit Lyonnais	Credito Italiano
Richard Daps & Co. Bankers	Den Danske Landmandsbank	Den norske Creditbank	Deutsche Bank Aktiengesellschaft
Deutsche Girozentrale—Deutsche Kommunalbank	Dewan & Associates International S.C.S.	Dillon, Read Overseas Corporation	Dresdner Bank Aktiengesellschaft
European Banking Company Limited	Fellesbanken A/S	First Boston (Europe) Limited	First Chicago Limited
Goldman Sachs International Corp.	Göteborgs Bank	Gulf Bank K.S.C.	Hambro-Mitsui
Mill Samuel & Co. Limited	Jardine-Fleming & Company Limited	Kasall-Osaka-Pankki Limited	Kiikka, Pesäbo International Limited
Kjellens Handelsbank	Kleinwort, Benson Limited	Kreditbank N.V.	Kreditbank S.A. Luxembourg
Kuhn, Loeb & Co. International	Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.)	Kuwait Investment Company (S.A.K.)	Kuwait Investment Company (S.A.K.)
Landesbank Schleswig-Holstein—Girozentrale—	Lazard Brothers & Co. Limited	Lloyds Bank International Limited	London Multinational Bank
Manufacturers Hanover Limited	Merrill Lynch, Pierce, Fenner & Smith Securities Underwriter Limited	Samuel Montagu & Co. Limited	Morgan & Co. International S.A.
Morgan Grenfell & Co. Limited	Nasbit, Thomson Limited	The Nikko Securities Co. (Europe) Limited	Nomura Europe N.V.
Nordiska Föreningsbanken Ab	Poljoimiesliiton Yhtymä Oy	Orion Bank Limited	Peterbroeck, van Campenhout Securities S.A.
Post-och Kreditbanken, PKBanken	Privatbanken Aktiengesellschaft	Rabomerica International Bank N.V.	N. M. Rothschild & Sons Limited
Rowe & Phipps, Hong-Kong	Salomon Brothers Incorporated	Scandinavian Bank Limited	J. Henry Schroder Wagg & Co. Limited
Skandinaviska Enskilda Banken	Smith, Barney & Co. Incorporated	Société Financière pour le Moyen Orient (SOFIMO)	Sumitomo White Weld Limited
Société Générale de Banque S.A.	Société Séguraise de Banque	Strauss, Turbault & Co.	Union Bank of Switzerland (Securities) Limited
Sundsvallsbanken	Svenska Handelsbanken	Swiss Bank Corporation (Owen) Limited	Williams, Glyn & Co. Limited
Vereins- und Westbank AG	J. Vontobel & Co.	S. G. Warburg & Co. Ltd.	Yamaichi International (Europe) Limited
Wood Gundy Limited			

October, 1975

FINANCIAL TIMES SURVEY

Tuesday October 21 1975

LONDON METAL EXCHANGE

So far 1975 has been a generally disappointing year for the London Metal Exchange. Industrial activity has not picked up enough to produce a significant rise in the demand for base metals. Moves towards introducing a 'clearing house' system have intensified.

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IED DEMAND, and
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ie 1975 a quiet year
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was likely to bring
rices in the fourth
of 1975. But these
ve now been dashed,
it postponed until an
date next year.
In the meantime with very
fluctuations compared
ous years, and little
the surplus supplies
from the Metal Ex-
ere is precious little
to trade among trade
dealers, anxious to pro-
in particular. How-
est has been sustained

at a surprisingly high level by have been expecting a short-term profit, and they are likely to be somewhat disappointed from sources not previously interested in putting funds into the commodity markets. The attraction of copper, silver and other metals as an investment for funds seeking protection against the ravages of inflation and currency changes has been well publicised. A look at past metal price trends confirms quite clearly that they keep in line with rising production costs and eventually, therefore, inflation and currency changes. The important point, of course, is not to buy when the prices are artificially inflated.

Fallen
All the available estimates and statistics at the beginning of the year suggested quite accurately that metal prices had fallen to near, or even below, production cost levels, so it seems inevitable that there must be an upsurge in prices to encourage the required expansion in output once there is sufficient demand generated again to mop up surplus stocks. Unfortunately there are differing interpretations of a "long-term" investment. To some investors three months is a long time, while others are prepared to wait for three years or more before expecting a handsome profit. In the general excitement, encouraged by metal dealers anxious to promote trading activity, many investors appear in reality to

And, if an attractive alternative investment arises, they may well be tempted to switch away from the negative return of metals—with the promise of large capital gain sometime in the foreseeable future—in favour of a quicker return. The build-up in copper stocks held in London Metal Exchange warehouses for 28 weeks in succession from some 165,000 tonnes in March to over 430,000 tonnes by September is somewhat daunting to investors looking forward to higher prices.

bearing in mind that the previous stocks peak in December, 1972, was only 192,000 tonnes. Of this huge total it is estimated that non-trade investors or speculators hold only a small proportion—estimated to range between 50,000 to 80,000 tonnes. The rest is basically held by banks and other financial institutions, which play a vital role in financing stocks.

In the absence of trade interest in the market, the role of the speculator or non-trade investor in influencing prices tends to be over-publicised. Nevertheless, it is claimed that without the extra funds coming into the metal market from outside private sources, the price

of copper nowadays would probably be £50 to £100 a tonne lower than at present, putting even greater pressure on producers and aggravating the threat to future supplies. In other words the speculator is helping to stabilise the market. It is now the turn of consumers to complain about undue speculation distorting the price of metals away from the true law of supply and demand, but the critics have been far less vociferous than in past years of wild price fluctuations.

Attack
One of the LME's arch critics, Mr. J. Vuillequez, vice-chairman of Amax Inc., recently returned to the attack on producers pricing their copper on the Metal Exchange's daily quotations. He claimed it was "inimical to the interests of producers and consumers and, therefore, to the LME itself." This method of pricing, he added, had in recent years created excessive stocks, whose sale is no longer controlled by the producers. As a result "these producers have frittered away very large amounts of valuable ore reserves, a non-replenishable and wasting asset, at unremunerative prices and, in many cases, suffered serious losses." While recognising that the LME pricing method has faults, the basic fact is that no one so far has been able to come up with a better system to reach a "fair price," reflecting all the factors affecting metal prices—

not just supply and demand of primary supplies, but also many other influences.

However, a radical change in the long-term future of the Metal Exchange could result from increased pressure for the introduction of a clearing house system, similar to that used in the "soft" (non-metal) commodity futures markets. Increasing concern has built up in recent years about the financial viability of the Exchange in the event of a major disaster, which has hit so many other industries. It is recognised that the LME system of a principal's contract, whereby each ring-dealer member is individually responsible for meeting any commitments made, has worked very well for many years. But it is felt the huge rise in the amounts involved, reflecting higher metal prices and the changed pattern in the world's financial structure, with previous "blue chip" companies going under, raises sufficient doubts about the existing LME system as to threaten its future.

One or two potential "disasters" in recent years, although easily dealt with by the LME system, have intensified fears about the repercussions of any major upset, and brought growing pressure—led by the Bank of England—for something more to be done about assuring the financial stability of the Exchange. In the months traded ahead to a longer period ahead instead of the somewhat archaic three-months' limitation, retained

kind—was held to consider certain proposals aimed at strengthening the financial base. But nothing definite was forthcoming, mainly because of the deep division between sections of the Exchange about the desirability of a clearing house system and, if accepted, how it should be applied. Basically, the opponents of a clearing house are desperately worried about the likely impact it would have in changing the unique character of the LME built up over the years, on which its world-wide reputation is based.

They argue that a clearing house system would tend to discourage trade participation, which is the lifeblood of the Exchange, in favour of speculation and the end result would be for the LME to become a poor relation to the speculator-dominated New York copper market. Supporters of a clearing house point out that there is plenty of trade activity in the cocoa and sugar markets, which use a clearing house, and that the Exchange will not be able to survive without becoming up to date with modern requirements. The outcome of this lengthy debate is likely to be a compromise, unsatisfactory to all, but which could mean a radical alteration in the Exchange for the future with, for example, an extension in the months traded ahead to a longer period ahead instead of the somewhat archaic three-months' limitation, retained

basically because of problems in granting credit for a longer period.

Copper remains the main pre-occupation of the Exchange, often known as the London Copper, rather than metal Market. But fundamental supply/demand predictions suggest prices could stay fairly stable for some time yet, unless a link with the oil-producing countries enables the leading copper exporters either to channel surplus stocks off the market or afford drastic cut-backs in production. Without such measures there is a possibility of surplus stocks keeping down copper prices for an abnormally long time as a result of high interest rates teaching consumers to live on a hand-to-mouth basis as a normal pattern rather than in exceptional circumstances.

Activity
Interest in tin trading has failed to be stimulated much by the introduction of the high-grade quality contract that was supposed to replace the outdated standard tin contract. But activity could well be stimulated in the next few months by the battle to defend the "floor" price of the International Tin Agreement in the face of the continued decline in demand. Zinc trading on the LME may also continue to attract more interest following the rise in the European pro-

ducer price to a higher level, and the competitive threat presented by LME values at being too great a discount. This year the zinc producers firmly established control over the LME market by a programme of heavy support buying removing surplus supplies, and a further, even greater, effort may be needed to sustain the rise in the European producer price at a time when demand remains slack.

Meanwhile, the primary lead producers were forced to relinquish control of the LME market in view of the unbearable costs burden created by buying up surplus stocks, much of which came from secondary smelters. Producers are not expected to attempt to re-establish control until demand improves sufficiently for the present surplus to be removed by consumers.

The LME silver market had another disappointing year, handicapped to a large extent by the limitation of a seven months forward contract, while the London bullion brokers and U.S. futures markets in Chicago and New York quote prices up to 13 months ahead. For 1976, the outlook for the Metal Exchange is very much dependent on how soon the recovery in industrial activity worldwide, and especially in Europe, takes place. With some hopeful signs in the U.S., it seems likely that the second half of next year could produce a much livelier picture.

more and more metal

"Such are the rich, that have abundance and enjoy it not" (W. Shakespeare, King Henry IV)
In the tidal waves of the market, surplus can be a harder challenge than scarcity, a challenge which the skilled trader meets with imagination and flexibility, based on experience gained in a century spent in the world of metals and banking, like the experience of Metallgesellschaft.

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metals

ARMING AND RAW MATERIALS

Daysia ks action prices

LA LUMPUK, Oct. 20. SIA APPEARED for a solution to the problem of primary commodity prices when the 1975 Rubber conference here today.

Malaysian Prime Minister Datuk Hussein Onn told "Active discussions" held in various world to find solutions to the problem of primary commodity prices.

He said that the situation was "not as serious as it is often made out to be" and that the government was "not in a position to take any action at the moment."

He said that the government was "not in a position to take any action at the moment."

Need for rise in world copper values stressed

BY JOHN EDWARDS, COMMODITIES EDITOR

THE NEED for higher copper prices, if future supply shortages are to be avoided, was stressed at the American Metal Market annual forum in London yesterday.

Most speakers did not expect to see any sustained recovery in demand for metals until the second half of 1976, but there were specific warnings that future supplies of copper would be endangered unless some co-operative action was taken to lift prices to more economic levels.

Mr. J. E. Thompson, president of Newmont Mining Corporation, said that the U.S. mining industry was in a "very difficult position" and that it was "not clear what the future of the industry will be."

He said that the industry was "not clear what the future of the industry will be."

Japan signs S. African sugar pact

TOKYO, Oct. 20. JAPANESE SUGAR refiners and importers have signed a three-year agreement with the South African Sugar Association for importing raw sugar. It is the fourth private-level long-term sugar import deal concluded by Japan in the past ten months.

Under the agreement, Japan will import at least 350,000 tonnes of Natal sugar annually over three years, beginning next year.

Japan has already concluded three similar long-term contracts for sugar imports from Australia, Thailand and Brazil.

COCOA PACT A more workable compromise

BY DAVID EGLI

GENEVA, Oct. 20. SOME DELEGATIONS here hope that the U.S. may ultimately find the new international Cocoa Agreement for political reasons. It is the fourth private-level long-term sugar import deal concluded by Japan in the past ten months.

Under the agreement, Japan will import at least 350,000 tonnes of Natal sugar annually over three years, beginning next year.

Japan has already concluded three similar long-term contracts for sugar imports from Australia, Thailand and Brazil.

t Nigerian liser t built

LAGOS, Oct. 20. S' FIRST fertilizer has been completed and is commissioning. Radio is announced.

Mr. Naira (E10.8m.) plant in the town of Kaduna was a Japanese company which provide technical and manage it for two

Australia assesses crop prospects

CANBERRA, Oct. 20. AUSTRALIA'S BARLEY harvest this season is now expected to be 3,000,000 tonnes (5,000,000 bushels), slightly below the 3,100,000 tonnes (5,100,000 bushels) harvested last year.

The Bureau of Agricultural Economics estimates that last season's production was put at 2,550,000 tonnes.

It also puts the oats forecast at 640,000 tonnes against 630,000 tonnes last year.

U.S. expands commodity credit scheme

WASHINGTON, Oct. 20. THE U.S. Department of Agriculture (USDA) has prepared to expand its commodity credit program for short-term credit of up to three years to help finance purchases of U.S. agricultural commodities, official sources said here.

The expansion in the USDA's credit program is part of the follow-up authority from the fiscal year 1976 program.

Participation

This would produce essentially the same pattern of participation as under the previous Agreement. This time, however, there is a good chance that, rather than being overtaken by market developments as in the last three years, the Agreement (finally) will be called to play an active role in the market.

Whether the combination of export quotas and buffer stock activities will hold up in the circumstances remains to be seen, but clearly the new arrangement is a considerable improvement over present ones.

IA COCOA

ACCRA, Oct. 20. 5 of main crop Ghana's third week of the 1975 ended October 16, 1975, at 15,540 tons.

COMMODITY MARKET REPORTS AND PRICES

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for METALS, GRAIN, and OILS.

PRICE CHANGES

Table with 4 columns: Commodity, Unit, Price, and Change. Lists price changes for various commodities.

U.S. Markets

Table with 4 columns: Commodity, Unit, Price, and Change. Lists U.S. market prices for various commodities.

STORY TODAY

Edited by Peter Quennell and Alan Hodge

The OCTOBER issue includes:

- IAN MELVILLE AND ATLANTIC TIONS Charlotte Lindgren
- WELL: THE LAST EXILE Derek Severn
- SLANDS VOYAGE, 1597 Alan Haynes
- NETTI, FUTURIST AND FASCIST David Mitchell

COFFEE

Robusta futures opened slightly steady at levels slightly above Friday's close and continued to rise in a largely featureless session.

A slight steady rise developed at the pre-market close.

SUGAR

LONDON, Oct. 20. LONDON SUGAR (raw sugar) 151/154, a ton c.i.f. for Oct-Nov. 151/154.

Market opened slightly higher and some 200 tonnes were sold in great quantities.

GRAIN

NEW YORK, Oct. 20. GRAIN FUTURES closed generally higher, bolstered by an expected announcement of the Soviet wheat sale.

The market was generally higher, bolstered by an expected announcement of the Soviet wheat sale.

Our New Expanded Commodity Charts

are so good—
will send you a copy free!

thing subscribers are very enthusiastic about the new averages we have set to our service. We know you have seen them and you will agree they provide a way to real commodity profits—particularly for us cannot keep in constant touch with the markets.

SOYABEAN MEAL

CHICAGO, Oct. 20. SOYABEAN MEAL (44% protein) 100.00, 100.00, 100.00.

Market opened slightly higher and some 200 tonnes were sold in great quantities.

WOOL FUTURES

LONDON, Oct. 20. WOOL FUTURES (New Zealand) 100.00, 100.00, 100.00.

Market opened slightly higher and some 200 tonnes were sold in great quantities.

COCOA

CHICAGO, Oct. 20. COCOA (Baker's) 100.00, 100.00, 100.00.

Market opened slightly higher and some 200 tonnes were sold in great quantities.

GRAINS

CHICAGO, Oct. 20. GRAINS (Wheat) 100.00, 100.00, 100.00.

Market opened slightly higher and some 200 tonnes were sold in great quantities.

COTTON

NEW YORK, Oct. 20. COTTON (Upland) 100.00, 100.00, 100.00.

Market opened slightly higher and some 200 tonnes were sold in great quantities.

STOCK EXCHANGE REPORT

Gilts weaken afresh and equities react in sympathy

Share index down 5.7 at 336.7—Banks on offer

Account Dealing Dates

Option	First Declared	Last Account
Oct. 16	Oct. 17	Oct. 23
Oct. 20	Oct. 21	Oct. 27
Nov. 3	Nov. 4	Nov. 10

Stock markets sustained another sharp setback under the lead of weak gilt-edged yesterday.

News of the acceleration in the growth of money supply in the U.K. coming on a market already undermined by the lack of immediate Government moves to back public expenditure.

Gilt-edged came under fresh selling pressure and closed with falls extending to 12. The Government Securities index fell 0.4 more to 36.93, making a loss of 1.73 over the last two trading days.

Selling of leading industrial shares was by no means heavy. However, persistent small offerings and the virtual absence of support left prices with falls to 8 and sometimes more.

Closing quotations were a shade above the day's worst in places, but the final tone was still very unsettled. Down 6.5 at its lowest of the day at 2 p.m., the FT 30-share index closed 5.7 down on balance at 336.7.

Second-line equities followed in the wake of the leaders, this being underlined by a fall of 1.5 per cent. to 144.35 in the FT-Actuaries All-Share index and a 3-1 ratio of falls to rises in FT-quoted industrial shares.

Fears of a call for special deposits brought marked dullness to leading banks and the FT-Actuaries index for the sector lost 4.2 per cent. to 130.7. Official markings of 6.825 compared with 7.787 last Friday and 6.813 a week ago.

Funds gloom continues

The renewed upsurge in money supply figures coupled with revived rumours of a possible

increase in clearing bank special deposits merely contributed to the gloom in gilt-edged. Mr. Healey's speech last Thursday at Mansion House, once again, dealers' defensive action but were still forced to take up a fair quantity of stock and the tone deteriorated progressively, leaving all quotations near the day's lowest and the extending to 12. The shorts became nervous, too, and following tighter conditions in the money market closed with losses ranging to 12. Corporations sustained falls of 4-10 places in sympathy with the main funds; news of the new £1m Bristol 101 per cent, 1991, issue was not really an influence.

A well balanced business in investment currency became one-way in the later dealings when, in thinner trading, the premium rose to 99 1/2 per cent. for a gain on the day of 1/2. Yesterday's SE conversion factor was 0.6332 (0.6333).

Banks dull

Fears that the current acceleration in the growth of money supply will lead to a further call for increased special deposits brought selling pressure to bear on the big four banks. Still selling, which was fairly persistent, left losses to 12 by the close. Barclays, 28p, and Lloyds, 22p, were both that much easier, while Midland receded 12 to 28p and National Westminster declined 8 to 23p. Bank of Scotland fell 10 to 24p in sympathy. Australian issues gave ground with Bank of New South Wales 12 off at 50p and Commercial Union Bank 10 off at 23p. A firm market last week. Discounts reflected the weakness of gilts: up 27 last week on the encouraging interim report. General and National reacted 7 to 28p, while Cater

Ryder and Union were both 10 lower at 25p and 18p respectively. Asked of the market to-morrow's interim results. Jessel Tobacco receded 3 to 7p. Mercury Securities 6 lower at 12p, were dull in Merchant banks where Slater Walker and Edward Bates both closed 8 down at the common level of 4p. Confiant, on the other hand, improved 2 to 7p on further consideration of the return to profitability for the half year.

Insurance came on offer, with "Royals" 8 1/2 down at 28p 1/2, following lower interim profits.

Shares and Spencer lower

Leading Stores closed moderately lower. Marks and Spencer suffered the worst, recording a decline of 4 to 101p in front of today's half-time results. "Gussets" A shed 3 to 133p, while losses of 2 occurred in UDS Group, 83p, Burton's A, 44p, and British Home Stores, 34p. Elsewhere, W. H. Smith "A" relinquished 5 to 38p; interim results are due on December 3. Lower first-half profits left Selucon a penny cheaper at 7p. Wherever declined 2 to 18p, but support in thin markets raised both S. and U. Stores, 16p, and Maxima Maternity, 14p, by 3. Vernon Fashions, 47p, and Roskill, 41p, hardened 2 apiece.

Mail Orders presented a mainly easier appearance. Empire Stores ending 4 1/2 down at 72p and Gratia Warehouses 3 1/2 off at 87p 1/2.

Electrical leaders closed narrowly mixed following a quiet trading session. Plessey finished a penny better at 71p, after 6p. In a ahead of Thursday's interim results, GEM, 21p, rose 2p, to 23p. BICC, 112p, after 10p, was 2 easier on balance, while Thorne Electrical recorded a fall of 6 to 192p. Second-line issues shifted only slightly from last Friday's closing levels. The following lowered the annual general meeting

with a gain of a penny at 135p, while Eddystone finished 1p higher at 51p after 49p. The first-half figures, released on Thursday, showed a 2p rise in the 2p 1/2 to 3p, but Stanwood Radio, on the poor half-time results, shed a penny to 20p.

Fairly persistent selling lowered Tube Investments to 28p after a close of a net 8 easier at 26p. GKN fell 6 to 21p and Vickers A, 12p, after 12p. Elsewhere, falls were more marginal. New South Wales 12 off at 50p, and Babcock and Wilcox, 66p, and Howard Machinery, 52p, both gained 2. Press comment lifted Teacolemit 1 1/2 to 31p. Swan Hunter was again weighed down by its market problems, falling 3 further to 50p, but nationalisation estimates drew attention to Robb-Caledon, 1 harder at 24p, after 23p.

A basically dull tendency in Foods was illustrated by losses extending to 4 in both leaders and second-line issues. Tafe and Lyle closed 4 down at 21p, after 20p. Associated Dairies, at 22p. The chairman's confidence in long-term prospects helped Lockwoods rise 3 to 62p 1/2.

Woolly Savers closed 4 down at 22p. Dairy Crest lowered its working following late news of the "rights" issue on bonus terms. Lemons, an identical case, ended 1 off at 50p, but will also probably start lower this morning.

Hotels were divergent in character. Grand Metropolitan losing 2 to 60p, after 59p, and J. Lyons "A" gaining 4 to 13p. Myddleton moved narrowly on the increased gross, raising from 42p to 47p before closing unchanged on the day at 45p. Brest Walker shed 3 to 39p.

AD International rise

Miscellaneous Industrial leaders retreated afresh on small selling orders. Falls of about 10 occurred in Chelver, 38p, Pilkington, 26p, and Glaxo, 22p. Reaching international, ahead of Friday's interim results, cheapened 6 to 22p, while Metal Box ended similarly lower at 24p. Boverat, 18p, and Turner and Newall, 12p, shed 3 apiece. Elsewhere, AD International registered an advance of 7p, after 10p, reflecting renewed speculative demand on talk of a possible new offer from Dentsply International worth about 120p per share. Ciro Holdings were raised 3 1/2 to 60p on news of a bid for the company by Howard and Wyndham, a penny easier at 27p. Central Manufacturing put on 1 1/2 to 40p on the lapsing of its offer for LCP, while the latter shed a penny to 35p. Favourable Press comment

prompted a rise of 8 to 40p in Litching and Leasing, while Handicraft Group gained 3 to 55p on the interim statement. Received support left Cropland Rubber 6 up at 10p. Brook Street Bureau, still on the lower interim figures, lost another 3 to 35p. The half-time profits setback left Reed Executive 4 down at 38p, after 33p.

Group Lotus Car contrasted with the general ease in Motors, rising 3 more to 24p. Losses of a few pence were sustained by Dunlop, 60p, Rolls-Royce, 54p, and Lucas Industries, 42p. Zenith Carburettor "A" hardened a penny to 35p on the interim results.

Among Newspapers, Thomson ran into stock from holders growing impatient of North Sea developments and lost 7 to 173p. Small losses were also the case for the go ahead for the new Orkney Printing, which improved 2 further to 13p.

Properties nervous

Property leaders encountered a fresh bout of nervous selling and prices finished at the day's worst. Land Securities receded 6 to 18p and MRCP 3 to 60p, while English Property recorded a loss of 2 to 24p. The day's nervousness was reflected in a report of the state-owned British Transport Docks Board's 150p cash bid for Felixstowe Dock, the latter closed 2 harder at a 1974 high of 135p.

Textiles and Tobacco gave ground on small selling and lack of support. Courtaulds closed 3 cheaper at 134p. Bats lost 7 to 303p, after 300p, while Imps receded 2 to 70p.

Encouraged by last Friday's disclosure that McLeod Russell (18 up at 115p) and James Finlay (22 easier at 183p) are holding discussions which may lead to a reorganisation of the substantial shareholdings, they and their associates held in Tetley Cessnock, Consolidated Tea and Lands, and West Nile, a fair amount of interest was shown in the latter companies, which closed very firm.

Consolidated Tea and Lands rose 30 more to a 1975 high of 290p, while Cessnock, 190p, and West Nile, 245p, gained 15 and Tetley added 10 to 300p. Rubbers closed a shade harder for choice after a small rise. Guthrie edged forward 4 to 142p.

Gold eases

After opening steadily, Gold shares came in for Cap selling following the lower morning fixing of bullion. Although some Continental buying was reported around mid-day, prices continued

to drift, ignoring the recovery of bullion to \$145.25 per ounce. The price ranged to 4 1/2 Holdings (£27 1/2) and (£19 1/2) with Val Re Western Deep (£12 1/2) and Steyn (£13 1/2) all steady. Rio Tinto's following reports unrest.

Among the lower-priced South African shares, Anglo American gave up 20 to 40p, while Gold Mines index fell 3 to 171p in line with U.K. industrial shares. Gold Fields hardened dividend.

Midde Witte were Cape into and near the Union Corporation earlier 5p loss to close at 420p.

A feature of Coppe continued their and which rose 40 to 340p. The past 5 days, Continental and mand left Minor 1/2.

In Rhodesians, Fels at 190p following a lower profit and a re-denial for the year September.

Australians were easier in the with Under, although Par and Peko-Wallend bid to 59p and 38p 1/2. Falls of 2 were seen in Anglo American (304p), Pacific Coppe to 16p following office of, encouraging a at its Cadia prospect South Wales.

FINANCIAL TIMES STOCK INDIC

	Oct. 20	Oct. 17	Oct. 16	Oct. 15	Oct. 14	Oct. 13
Government Secs	56.95	57.58	58.58	59.59	59.57	58.1
Fixed Interest	58.56	59.10	59.50	59.44	59.49	59.1
Industrial Ordinary	336.7	342.4	348.4	348.4	344.2	335
Gold Mines	267.8	270.4	264.3	269.4	262.3	253
Ord. Div. M. 2	6.94	6.14	5.03	6.19	6.07	6.1
Meanings Td. (Apr/Jul)	17.17	16.99	16.59	16.82	16.84	17.1
P/S Ratio (last 12 m)	8.26	8.40	8.55	8.42	8.24	8.1
Debt/GDP Ratio	6.928	7.767	7.962	7.900	7.968	6.8
Equity turnover (m)	78.15	65.84	60.11	60.11	60.82	68
Equity turnover (m)	18,010	16,488	15,813	15,715	14,44	

10 a.m. 332.8, 11 a.m. 333.1, Noon 333.1, 1 p.m. 333.1, 2 p.m. 333.1, 3 p.m. 333.1, 4 p.m. 333.1, 5 p.m. 333.1, 6 p.m. 333.1, 7 p.m. 333.1, 8 p.m. 333.1, 9 p.m. 333.1, 10 p.m. 333.1, 11 p.m. 333.1, 12 p.m. 333.1

Based on 50 per cent. corporate tax. (b) Nil=50. Basis 100 Oct. 1974. Fixed ex. 100. Oct. 1974. Mins 12/1/75, S.E. Asbury July-Dec 1974. 1 Corrected.

HIGHS AND LOWS

	High	Low	High	Low	High	Low
Corp. Secs	62.54	56.1	127.4	49.18	Daily	125
Fixed Int.	62.51	56.1	127.4	49.18	Gilt-Edged	125
Ind. Ord.	62.51	56.1	127.4	49.18	Specialist	125
Gold Mines	267.8	253.1	269.4	262.3	Total	125
					5-day A.V.G.	125
					10-day A.V.G.	125
					15-day A.V.G.	125
					20-day A.V.G.	125
					25-day A.V.G.	125
					30-day A.V.G.	125
					35-day A.V.G.	125
					40-day A.V.G.	125
					45-day A.V.G.	125
					50-day A.V.G.	125
					55-day A.V.G.	125
					60-day A.V.G.	125
					65-day A.V.G.	125
					70-day A.V.G.	125
					75-day A.V.G.	125
					80-day A.V.G.	125
					85-day A.V.G.	125
					90-day A.V.G.	125
					95-day A.V.G.	125
					100-day A.V.G.	125

S.E. ACTI

	High	Low	High	Low	High	Low
Corp. Secs	62.54	56.1	127.4	49.18	Daily	125
Fixed Int.	62.51	56.1	127.4	49.18	Gilt-Edged	125
Ind. Ord.	62.51	56.1	127.4	49.18	Specialist	125
Gold Mines	267.8	253.1	269.4	262.3	Total	125
					5-day A.V.G.	125
					10-day A.V.G.	125
					15-day A.V.G.	125
					20-day A.V.G.	125
					25-day A.V.G.	125
					30-day A.V.G.	125
					35-day A.V.G.	125
					40-day A.V.G.	125
					45-day A.V.G.	125
					50-day A.V.G.	125
					55-day A.V.G.	125
					60-day A.V.G.	125
					65-day A.V.G.	125
					70-day A.V.G.	125
					75-day A.V.G.	125
					80-day A.V.G.	125
					85-day A.V.G.	125
					90-day A.V.G.	125
					95-day A.V.G.	125
					100-day A.V.G.	125

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	Monday, October 20, 1975	Friday, Oct. 17	Thursday, Oct. 16	Wednesday, Oct. 15	Tuesday, Oct. 14	Monday, Oct. 13	Year ago (approx.)	High and Low Index
	Index	Day's Change	Est. Div. Yield (%)	Est. Div. Yield (%)	Est. Div. Yield (%)	Est. Div. Yield (%)	1975	Since Completion

EQUITY GROUPS

Figures in parentheses show number of stocks per section.

Building Materials (30)	...	0.65	-1.7	14.33	6.67	10.50	10.50	132.76	125.84	123.21	122.78	66.40	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136.01	136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HOTELS—Continued

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NINE

"Recent Issues" and "Rights" Page 19

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Stock Exchanges throughout the United Kingdom for a
fee of £25 per annum for each security.



Receiver for NVT Small Heath plant

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

HOPES of retaining a two-factory motor-cycle industry in Britain took a further blow yesterday when the rump of Norton Villiers Triumph's manufacturing activities were put in the hands of the receiver.

The decision means that NVT has now handed over control at both its major plants. Yesterday's announcement appointing Mr. Kenneth Cork and Mr. Michael Jordan of Cork Gully as joint receiver managers at the group's Small Heath plant, Birmingham, comes only two months after the liquidator was called in at its Wolverhampton factory.

The only major motor-cycle manufacturing interest still trading satisfactorily in Britain is the Meriden Co-operative, set up with almost 55m of Government backing, and part of NVT until it was hived-off after a workers' sit-in.

NVT, the holding company, said yesterday that it still hoped to put together a rescue plan for Norton Villiers Triumph Manufacturing, the concern which went into receivership yesterday.

This would involve a much smaller operation, cutting the workforce. It is believed, from its present 1,000 to 500, moving

manufacturing to smaller premises, and possibly assembling imported components. Appointing the receiver would "buy time" in launching the plan, the company said.

Mr. Cork is acting for Barclays Bank, the main debentureholder, which has a floating charge over most of the NVT group. While the NVT management remained sanguine yesterday about the prospects of saving the company from liquidation—which frequently follows receivership—Mr. Cork said it was too early to make an assessment. "We don't like shutting things up and we don't often have to," he added.

A creditors' petition to the High Court for winding up NVT was adjourned yesterday for a fortnight. Hence, since the receiver takes precedence in law over a liquidator, the future of the company is squarely in the hands of Mr. Cork.

NVT emphasised yesterday that it planned to continue to trade in the U.K. and overseas, and had plenty of stocks, although there was a question mark over Norton Triumph International, described as a "purely administrative" its present 1,000 to 500, moving

FINANCIAL TIMES

Tuesday October 21 1975



Retail sales show further slide of 3.1%

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

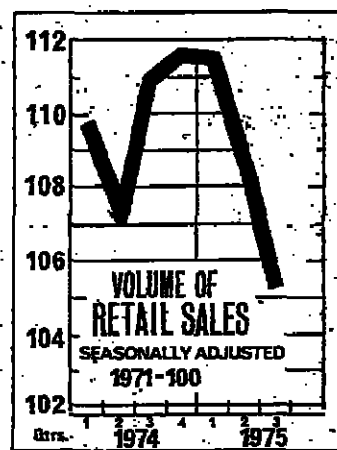
THE VOLUME of retail sales in the U.K. dropped a further 3.1 per cent. between the second and third quarters in the face of the "deepening recession and the squeeze on consumers' real incomes."

Although sales volume edged up a little during the course of the July-September quarter, most retailers say that there has been little underlying change, and that sales are running below forecast in many cases.

The decline in the volume of sales this year has been one of the steepest on record, with the Department of Industry's official volume index—1971=100—falling from 111.5 in January-March '74 to 108.7 in April-June and now 105.3 in July-September.

The pre-VAT sales boom in consumer durables during April was such that the volume index for all retail trade shot up to 120.2 in that month; that there was bound to be some sort of reaction in the third quarter. Even so, the decline was very steep.

The provisional estimate of the retail sales volume index for September is 106.8—up on the 104.5 in August, but not taken by either Whitehall or the retail trade as heralding any significant change in what



is described as a "plodding" sales picture.

Retail sales account for nearly half of total consumer spending, and the recent figures suggest that the course of spending continues to be significantly below the level suggested by official forecasters earlier this year.

The level of spending would have been somewhat higher if people had not responded to the uncertainties of the recession by saving more, and there are considerable differences between economists as to whether the savings ratio is going to continue at its present high level.

More Vickers cash expected for KTM

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE VICKERS engineering group is likely to give a fresh injection of capital to the State-controlled machine tool concern Kearney and Trecker-Marwin and therefore ensure the return of KTM to the private sector of industry.

A year ago the Government handed over £2.5m to KTM by way of Industry Act loans and in return took a 50 per cent stake in a new holding company set up to control KTM. Vickers agreed to take management responsibility, put up a secured loan of £200,000 and was granted an option to acquire control of KTM next year.

But KTM now needs more working capital and restructuring yet again because the last cash injection has been soaked up by the effects of inflation and continuing losses.

The balance sheet with the accounts sent out to shareholders yesterday shows a deficit of £5.5m at December 29, 1974.

Mr. Jim Hendin, chairman of KTM, and also chairman of Vickers' engineering division, said last night "Vickers' having discussions with the Government and the other shareholders about restructuring and the provision of more capital for KTM."

"Within weeks," he would anticipate that if the other shareholders agree, Vickers would participate financially in the restructuring. Certainly the Government is looking to Vickers to continue managing KTM and to put up some of the new capital.

He expected that the situation would be sorted out "within three to four weeks."

KTM incurred net losses of just over £2m in the year to September 30, 1975, and £1.2m in the following 18 months. In his statement, Mr. Hendin forecasts "a nominal loss" for the current year and adds "a return to profitability must now depend on when the machine tool market emerges from its present recession."

Many people in the industry feel this will not happen until the third quarter of 1976 at the earliest.

The Government has determinedly kept KTM alive because of its key position at the high-technology end of the machine tool business.

The company is certain to get a fair slice of the money Leyland will spend to re-equip

itself, particularly for the supply of transfer lines to the bus and truck division of Leyland, which is to get the lion's share of the £125m to be invested in the coming year.

KTM can also expect to get important orders from Massey Ferguson-Perkins which will be needing £50m-worth of machine tools and other equipment as part of a contract to reorganise Poland's tractor industry.

Recovery

There seems no obvious reason why the other shareholders in KTM should not go along with another restructuring scheme if the state, as a large shareholder, insists on it.

Other shareholders include Industrial and Commercial Finance Corporation with 7.5 per cent, and by ICF standards, a relatively large investment of £1.8m in KTM; Kearney and Trecker of Milwaukee, 18.3 per cent, Marwin, a private company, 9.7 per cent, and W. E. Norton, a public concern, 13.4 per cent.

Mr. Hendin insists that if KTM gets the new capital it requires, "I see no reason to doubt the competence of the company to recover from its troubles. It has excellent products, and the controls and procedures established since the reconstruction should ensure its ability to trade profitably in anything like normal trading conditions."

New rise in copper stocks

A FURTHER rise in copper stocks, up by 9,150 tonnes to a new peak of 465,375 tonnes, was rather larger than anticipated by London Metal Exchange dealers yesterday. But prices were little changed in quiet trading conditions.

An increase in tin stocks, up by 90 to 5,795 tonnes, also took the market by surprise. In consequence, prices moved marginally lower despite a rise in Penge over the weekend and suspected buffer stock buying of cash tin in afternoon trading in London.

As expected, zinc stocks rose by 6,775 to 55,875 tonnes and lead by 2,475 to 79,225 tonnes. LME silver holdings increased by 110,000 to 17,010,000 ounces.

THE LEX COLUMN

Clarifying the rights rules

The Treasury is taking steps to control rights issues made primarily to inflate dividend payments but it is not banning them—whatever last night's dignified rush of activity may suggest to the contrary. As from midnight last night, companies making rights issues at a discount of more than 25 per cent on the market price will have to get official consent if they want to maintain their dividend in per share terms. And they are likely to get it, provided the dividend increases achieved in this way do not produce gross yields which are significantly out of line with companies of a similar type.

Most companies in a position to do this kind of issue have a high cover, and a below average yield and the statement implies that those that have done it already would not have been ruled out of order by this latest move. The Treasury will continue to apply the rules "flexibly."

Two out of the three companies which announced rights issues at par last night would almost certainly have qualified without rushing. Kwik Save and Lennons (both advised by Singer and Friedlander) still have below average yields on an ex-rights basis. S. and W. Berisford might have been a more marginal case: its prospective yield rises to nearly 8 per cent.

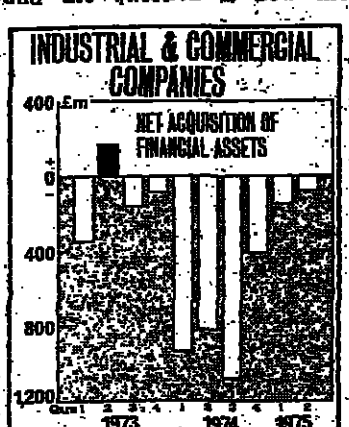
The third dividend ruling yesterday seems mainly aimed at recognising the facts of life: Companies which are incorporated in the U.K. and quoted on the Stock Exchange, but which are abroad for tax and exchange control purposes, will be permitted to exceed the 10 per cent limit on application to the Treasury. Although Sime Darby's last accounts referred to the constraints of U.K. dividend legislation, it would have been very difficult to control any deliberate attempt to break the rules. Qualifying companies appear to include the likes of Highlands and Lowlands, Pahang Consolidated, Kulim and Maxin's.

Company finance

The corporate sector has made further progress towards eliminating its financial deficit, with industrial and commercial companies almost back to a balanced position in the second quarter. The chief factor behind this was, of course, a substantial process of physical industry decline was 6 per cent, stock appreciation was actually a slight acceleration since then, higher in the first half of 1975 though Rugby does not appear in July-December 1974, at to be so far down. In contrast

Index fell 5.7 to 336.7

£2.33bn. against £1.81bn. the overall increase in the value of stocks fell from £2.56bn. to £1.17bn. This more than accounted for the £1.27bn. reduction in the sector's financial deficit between the two half-years. But after deducting stock appreciation are on a declining trend, and the question is how the



corporate sector can maintain this financial improvement once the destocking phase is over; already the distribution sector has reached a cyclical low, though manufacturers may still have some way to go.

The new "Monetary Bulletin" from W. Greenwell states quite categorically that "adequate financing of the next stockbuilding phase has now been made impossible by the demands of the public sector. If Mr. Healey is really going to hold down the money supply, and is not willing to make cuts in public spending, industry will be starved of finance and will be forced into the arms of the Government."

Rugby Portland

Rugby Portland is determined to put last year's blenheim on 28 successive years of growth well behind it. After six months of 1975, pre-tax profits are 8 per cent, up at £5.36m, and although this rise is smaller than has been reported by other cement groups, Rugby had a much better first-half than them in 1974. The massive cement price rises, since May, quarter. The chief factor behind this was, of course, a substantial process of physical industry decline was 6 per cent, stock appreciation was actually a slight acceleration since then, higher in the first half of 1975 though Rugby does not appear in July-December 1974, at to be so far down. In contrast

German 4% growth forecast for 1976

BY JONATHAN CARR, BONN, Oct. 20.

WEST GERMANY can reasonably hope for a real economic growth rate next year of some 4 per cent, together with a further reduction in inflation. But the number of those unemployed will probably average about the same as this year, that is about 1m.

These key points emerge from the autumn report of five leading independent economic institutes—in Berlin, Hamburg, Munich, Kiel and Essen. Their overall conclusion released to-day, is that none of the major domestic problems arising from recession can be wholly solved in 1976: a general election year, but that progress can be buoyed by moderate, worldwide, economic recovery.

The suggested real growth in GNP of 4 per cent, next year is

lower than both the Government's own working estimate (5 per cent), and that of the Government's independent economic advisory council (6 per cent; if all goes well). In presenting the figure, the institutes also distinguish between an early rise in production—which they consider probable—and a durable economic upswing.

The institutes' base their expectation of an early rise both on the Government's own efforts to help boost the economy (a DM8bn. programme was agreed in August) and on an improvement in foreign demand. They expect real growth in the U.S. and Japan next year of between 5 and 6 per cent, and in Western Europe of between 2 and 3 per cent (against minus growth of more than 2 per cent this year).

However, the institutes observe that a durable upswing can only emerge if the propensity of entrepreneurs to invest is increased, and this means a clear improvement in their profit expectation.

Here, it touches on a key point which has been the subject of lengthy debate between the Government coalition partners, the Social Democrats and the Free Democrats, and which may be resolved later this week. The FDP is seeking benefits for private enterprises, including introduction of a limited "carry back" under which past losses could be set against current profits for tax purposes. "The SPD stresses the difficulty of agreeing to such a measure when the Government has only recently proposed tax increases affecting all sections of the population from 1977."

The institutes see the key element in a boost to investment not so much in tax advantages as in conclusion of "moderate wage agreements—at about 5.5 per cent."

The suggestions may seem over-optimistic but comments by union leaders over the last few weeks suggest they will in the end be prepared to accept increases for their members which do no more than keep pace with inflation.

Publication of the report coincides with release of details in an IMF institute poll taken in September and shows a marked drop in public confidence in Chancellor Helmut Schmidt. The institute concludes that the Government is increasingly bearing the brunt of public dissatisfaction with economic trends.

Treasury closes dividend 'loophole'

By Margaret Reid

THE TREASURY last night moved to close a possible loophole in its dividend restraint policy by tightening its control over cash-strapped new shares made at a sizeable discount below the prevailing stock market prices.

Up till now, there has been considerable scope for the effective increase in dividend payments in the context of rights issues since the previous dividend rate can be maintained even if the new shares are priced far below the market level.

The Treasury is not claiming that the previous rules have been used to produce excessive payouts in the cases in question. But, in the light of the "biggest incomes policy under which dividend increases are normally limited to 10 per cent, a year, it has acted to prevent any possible future abuse.

A new order lays down that companies making rights issues at a discount of more than 25 per cent below the price on the Stock Exchange will have to get the Treasury's consent if they want to maintain their dividend per share on the enlarged capital.

Last night three new rights issues were announced, in all cases on "terms" which have been made after the order had come into force at midnight. would have required official approval for the existing dividend rate to be continued.

The three companies are S. and W. Berisford, which is raising about £2.35m by a rights issue of shares at par (25p), compared with its 1974 market price, Lennons Group and Kwik Save Discount Group.

Kwik Save, whose shares closed 4p down at 24p, is raising about £1.5m by a rights issue of shares at par (10p), while the issue by Lennons, whose shares stand at 50p, down 1p, is at the price of 10p a share.

The Treasury, whose move comes after a record-breaking procession of rights issues through which companies have raised more than £1bn. already this year, said that its action should not be taken as a change in the Government's policy of encouraging the raising of new capital for investment.

It is to continue to apply flexibly the rule allowing companies to forecast and declare a higher dividend when raising new capital for investment through a placing, rights issue, or offer for sale.

The purpose of the order was described as being to ensure that the effect on the dividend of an issue at a considerable discount was not out of line with the minimum yield needed for a conventional rights issue to be successfully launched.

Wage inflation reduced last month

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

A SLIGHT improvement in the wage inflation picture in the last month, as new figures on wage rates and average earnings for August and September respectively.

Between July and August the index of average earnings rose by only 0.9 per cent—to 233.8 (January 1970=100), to a level 25.8 per cent above a year ago, compared with a year on year rise of 27.6 per cent between July 1974 and July 1975.

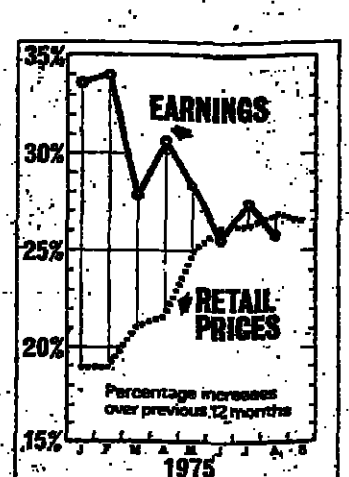
Between August and September the official index of wage rates hardly moved at all—from 184.1 to 184.5 (base July 1972=100), with the result that the sensitive year on year increase came back from 27.1 per cent (August 1974 to August 1975) to 26.7 per cent (September 1974 to September 1975).

Both of these indices have been distorted, however, by the earlier rush of settlements before the £8 pay limit took effect in August, so that while the movements are at least in the right direction, their significance is limited.

While the August increase in the earnings index is the smallest for nearly two years, it follows a sharp 2.1 per cent rise during July.

The wage rate index, in particular, tends to move jerkily. Sometimes there is a punching occasion—as has happened this time—there are no major settlements during the month, so that the index can hardly be expected to change.

This said, there is no reason



to doubt that the £5 limit has got off to a reasonably good

start. The Government claims that 85 per cent of the 2m workers who have settled since the policy was introduced have been awarded £5 or just under, and that the other 15 per cent have been awarded well under the limit.

Nevertheless, the incomes policy is only one arm of the anti-inflationary battle, and the way things are moving on the Government spending and money supply front is regarded as somewhat less encouraging.

In this context, it is somewhat surprising that official Government forecasters are being asked to assume the success of the £5 limit policy in the projections for 1976 rather than forecast what the course of wages will be. Retail sales down Back Page

Weather

U.K. TO-DAY

MAINLY DRY but cloudy, with bright intervals. London, E. S.E. Cent. England, E. Anglia, Midlands, Channel Is. Dry, bright spells. Wind S.E., light to moderate. Max. 13C (55F).

S.W. England, N. Ireland. Cloudy, perhaps some rain. Wind S. fresh or strong. Max. 13C (55F).

Wales, N.W. England, Lakes, I. of Man, S.W. Scotland, Argyll. Mainly dry, sunny spells. Wind S. moderate or fresh. Max. 13C (55F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, N.E. Scotland. Mainly dry, bright spells. Wind S.E., moderate or fresh. Max. 12C (54F).

Glasgow, Cent. Highlands, Moray. Mainly dry, sunny spells. Wind S.E., fresh or strong. Max. 11C (52F).

Orkney, Shetland. Mainly dry, bright intervals. Wind S. fresh or strong. Max. 11C (52F).

Outlook: Mostly dry, bright spells. Lighting-up: London 18.27, Manchester 18.32, Glasgow 18.34, Belfast 18.44.

BUSINESS CENTRES

BUSINESS CENTRES					
	Y'day	Mid-day	Y'day	Mid-day	
Alexandria	F	22	Manchester	S	25
Amsterdam	F	22	Metz	S	18
Athens	F	22	Moscow	S	18
Barcelona	F	19	Munich	S	16
Berlin	F	11	Nuremberg	S	18
Bombay	S	10	Paris	S	12
Buenos Aires	R	9	Prague	S	18
Calcutta	R	12	Rome	S	18
Canton	S	11	Stockholm	S	18
Cebu	S	10	Sydney	S	21
Hankow	S	11	Taipei	S	18
Hong Kong	S	11	Tokyo	S	21
Kobe	S	11	Winnipeg	S	18
London	S	11	Zurich	S	18
Lyons	S	11			
Manila	S	11			
Medan	S	11			

HOLIDAY RESORTS

HOLIDAY REPORTS					
	Y'day mid-day			Y'day mid-day	
	°C	°F		°C	°F
Azores	18	62	Jersey	13	55
Algiers	22	72	Las Palmas	13	53
Bahia	18	62	Lisbon	13	55
Batavia	18	62	Madrid	13	55
Bombay	18	62	Malaga	13	55
Buenos Aires	13	55	Malta	21	70
Calcutta	13	55	Mexico	20	68
Canton	10	50	Naples	20	68
Cebu	21	70	Nassau	23	73
Hankow	21	70	Nice	16	61
Hong Kong	16	61	Porto	16	61
Kobe	14	57	Rosario	19	66
London	23	73	Sabana	24	74
Lyons	17	63	Saint Paul	18	64
Manila	23	73	Santo Domingo	19	66
Medan	17	63	Santiago	18	64
			Taipei	18	64
			Tokyo	19	66
			Winnipeg	13	55
			Zurich	13	55

—Sunny, —Partly C., —Cloudy, —Rain.

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Key Figures:

- Total Assets: ¥3,427,582 million (US\$11,627 million)
- Capital and Reserves: ¥94,445 million (US\$296 million)
- Profit for 1974: ¥2,982 million (US\$93 million)
- As of March 31, 1975: US\$1 - ¥294.80

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Registered at the Post Office. Printed by St. Clements Press Ltd. for and published by the Financial Times Ltd., One, Moorgate, London EC2P 4AB.

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